

**Date:** Thursday 12 December 2024 at 4.30 pm

**Venue:** Conference Room, Dunedin House, Columbia Drive, Thornaby, TS17 6BJ

**Cllr Robert Cook (Leader)**

Cllr Pauline Beall  
Cllr Nigel Cooke  
Cllr Lisa Evans  
Cllr Clare Besford  
Cllr Steve Nelson  
Cllr Norma Stephenson OBE

**AGENDA**

- |           |                                                                     |                 |
|-----------|---------------------------------------------------------------------|-----------------|
| <b>1</b>  | <b>Evacuation Procedure</b>                                         | (Pages 7 - 8)   |
| <b>2</b>  | <b>Apologies for Absence</b>                                        |                 |
| <b>3</b>  | <b>Declarations of Interest</b>                                     |                 |
| <b>4</b>  | <b>Minutes</b>                                                      |                 |
|           | To approve the minutes of the last meeting held on 14 November 2024 | (Pages 9 - 14)  |
| <b>5</b>  | <b>Medium Term Financial Plan Update</b>                            | (Pages 15 - 26) |
| <b>6</b>  | <b>Inclusive Growth Strategy</b>                                    | (Pages 27 - 50) |
| <b>7</b>  | <b>Strategic Asset Management Plan</b>                              | (Pages 51 - 70) |
| <b>8</b>  | <b>Procurement Plan - General Network Refresh</b>                   | (Pages 71 - 74) |
| <b>9</b>  | <b>Procurement Plan - Finance ERP System</b>                        | (Pages 75 - 78) |
| <b>10</b> | <b>The Sycamores Housing Development (closure report)</b>           | (Pages 79 - 86) |
| <b>11</b> | <b>Learning &amp; Skills Service Governing Body Annual Report</b>   | (Pages 87 - 90) |

**Members of the Public - Rights to Attend Meeting**

With the exception of any item identified above as containing exempt or confidential information under the Local Government Act 1972 Section 100A(4), members of the public are entitled to attend this meeting and/or have access to the agenda papers.

Persons wishing to obtain any further information on this meeting, including the opportunities available for any member of the public to speak at the meeting; or for details of access to the meeting for disabled people, please

Contact: Democratic Services Officer, Peter Bell on email [peter.bell@stockton.gov.uk](mailto:peter.bell@stockton.gov.uk)

**KEY - Declarable interests are:-**

- Disclosable Pecuniary Interests (DPI's)
- Other Registerable Interests (ORI's)
- Non Registerable Interests (NRI's)

**Members – Declaration of Interest Guidance**



**Table 1 - Disclosable Pecuniary Interests**

<b>Subject</b>	<b>Description</b>
<b>Employment, office, trade, profession or vocation</b>	Any employment, office, trade, profession or vocation carried on for profit or gain
<b>Sponsorship</b>	Any payment or provision of any other financial benefit (other than from the council) made to the councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a councillor, or towards his/her election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
<b>Contracts</b>	Any contract made between the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the council — (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
<b>Land and property</b>	Any beneficial interest in land which is within the area of the council. 'Land' excludes an easement, servitude, interest or right in or over land which does not give the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners (alone or jointly with another) a right to occupy or to receive income.
<b>Licences</b>	Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer.
<b>Corporate tenancies</b>	Any tenancy where (to the councillor's knowledge)— (a) the landlord is the council; and (b) the tenant is a body that the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.
<b>Securities</b>	Any beneficial interest in securities* of a body where— (a) that body (to the councillor's knowledge) has a place of business or land in the area of the council; and (b) either— (i) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the councillor, or his/ her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners have a beneficial interest exceeds one hundredth of the total issued share capital of that class.

\* 'director' includes a member of the committee of management of an industrial and provident society.

\* 'securities' means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.



## Table 2 – Other Registerable Interest

You must register as an Other Registrable Interest:

- a) any unpaid directorships
- b) any body of which you are a member or are in a position of general control or management and to which you are nominated or appointed by your authority
- c) any body
  - (i) exercising functions of a public nature
  - (ii) directed to charitable purposes or
  - (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a member or in a position of general control or management

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## **Dunedin House Emergency Evacuation Procedure**

In the event of an emergency alarm activation, everyone should immediately leave by the nearest available signed Exit route.

The main evacuation assembly point is the overflow car park, located across the road from Dunedin House.

Once there await further instructions.

- Do not re-enter the building under any circumstances without an “all clear” which should only be given by the Incident Control Officer.
- And please do not leave the area without permission.

**Dunedin House  
Emergency Evacuation Procedure**

## CABINET

A meeting of Cabinet was held on Thursday 14 November 2024.

**Present:** Cllr Robert Cook (Leader), Cllr Pauline Beall (Cabinet Member), Cllr Nigel Cooke (Cabinet Member), Cllr Lisa Evans (Cabinet Member), Cllr Clare Besford (Cabinet Member), Cllr Steve Nelson (Cabinet Member) and Cllr Norma Stephenson OBE (Cabinet Member).

**Officers:** Garry Cummings (DCE&F, T&P), Reuben Kench (DoCS,E&C), Majella McCarthy (DoChS), Ged Morton, Geraldine Brown, Julie Butcher, Peter Bell (DoCS), Carolyn Nice (DoA,H&W), Sarah Bowman-Abouna (DPH), Tara Connor (CS,E&C), Jane Edmends (AH&W), Vanessa Housley (ChS).

**Also in attendance:** Cllr Lynn Hall, Cllr Marc Besford.

**Apologies:** None.

### **CAB/58/24 Evacuation Procedure**

The evacuation procedure was noted.

### **CAB/59/24 Declarations of Interest**

There were no declarations of interest.

### **CAB/60/24 Minutes**

Consideration was given to the minutes of the meeting held on 17 October 2024.

RESOLVED that the minutes of the meeting held on 17 October 2024 be confirmed and signed as a correct record.

### **CAB/61/24 Memorandum of Understanding between Stockton on Tees Borough Council and Teesside University**

Consideration was given to a report that set out a Memorandum of Understanding (MOU) between Stockton on Tees Borough Council and Teesside University. It established a framework for collaboration between the organisations and confirmed a commitment to partnership working.

The MOU built on a strong history of collaboration between the two organisations and reinforced the shared ambitions for the social and economic future of the area.

The MOU marked a new phase in the partnership, cementing shared goals and key areas of activity. It was grounded in organisational objectives and existing partnership commitments, including those set out through the Care and Health Innovation Zone Bard and Place Leadership Board. As such, it also confirmed the shared commitments with partners including the University Hospitals Tees.

The MOU identified a set of shared objectives and underpinning projects or initiatives that would drive shared success. The initial list of activity was not exhaustive, and each Party would identify a single point of contact to ensure that this MOU remained a live document, that delivered meaningful impact.

Central to the shared objectives, was delivering the Vision for a Tees Valley Care and Health Innovation Zone, specifically:

- Developing skills infrastructure and provision that are fit for purpose to support a successful Care and Health sector, and removing barriers to access training
- Ensuring that Innovation, Research & Development drives cutting edge service delivery in Tees Valley, and establishes a regional reputation for excellence
- Reducing Health Inequalities by taking a strength-based approach to working with communities, with a focus on Early Help and Prevention
- Using research, data analysis and intelligence to inform better decision making that delivers meaningful impact.

Following agreement by Stockton-on-Tees Borough Council's Cabinet and Teesside University's Executive, delivery of this MOU would be overseen by the Chief Executive of Stockton-on-Tees Borough Council and the Vice Chancellor of Teesside University.

Quarterly Management meetings would take place to ensure progress and impact with annual reporting of progress and achievements to the Council's Cabinet and University's Executive. Governance would also align with, and not duplicate other arrangements, including: Care and Health Innovation Zone Board and Place Leadership Board.

It was recommended that Cabinet approved the MOU to enable formal signature by:

- Leader of Stockton on Tees Borough Council
- Chief Executive of Stockton on Tees Borough Council
- Teesside University Executive.

The MOU would run for 5 years from the date of signature.

RESOLVED that the Memorandum of Understanding (MOU) attached at Appendix 1 of the report be approved.

## **CAB/62/24 Procurement Plan / Higher Value Contracts**

Consideration was given to a report that sought approval for the award of planned higher value contracts where the value exceeds the limit on officer delegated authority and which were either funded within the approved MTFP / Capital Programme or were subject to a bid for external funding.

The constitution defined a range of decisions that required a specific Cabinet approval, the financial threshold for which was set at a level of £500k or more. Annex 1 of the report listed contracts that exceeded the financial threshold and have not otherwise been delegated to officers.

RESOLVED that:-

1. The contract listed in Annex 1 be approved.

2. Authority be given to the relevant Director or Assistant Director to make the specific contract award decision and any subsequent contract variation, annual inflationary uplifts (where allowed in the contract terms and conditions) and extension decision in accordance with the delegations listed in Annex 1 of the report.

#### **CAB/63/24 Minutes of Various Bodies**

In accordance with the Council's Constitution or previous practice the minutes of the meeting of the bodies indicated below were submitted for consideration:-

TVCA Cabinet – 27 September 2024  
SSP – 17 July 2024

RESOLVED that the meetings detailed in the appendices be received.

#### **CAB/64/24 Civil Penalty Policy**

Consideration was given to a report on the Civil Penalty Policy.

Following a recent Upper Tribunal decision (Leicester City Council vs Morjaria) the report detailed proposed changes to the Councils Civil Penalty Policy and Civil Penalty Fee structure to ensure it was robust and mitigated the risk of successful appeals. Members were also asked to approve a streamlined process of progressing financial penalty notices of intent and final notices.

RESOLVED that:-

1. The amended Civil Penalty policy and fee matrix (Appendix A of the report) be approved.
2. As detailed in paragraph 22 of the report delegated authority be given to the Director of Adults, Health & Wellbeing in consultation with the Cabinet Member for Regeneration and Housing to make any further / necessary amendments to the Civil Penalty Policy and associated financial penalty policies.
3. The streamlined process for signing off financial penalty notices of intent and final notices (as detailed in paragraph 23 of the report) be approved.

#### **CAB/65/24 Local Accounts for Adults, Health and Wellbeing**

Consideration was given to a report on the Local Accounts for Adults, Health and Wellbeing.

The Making it Real Board (the strategic group for co-production, made up of people with lived experience of care and support along with the Cabinet Member for Adult Social Care and Council Officers) were asked by the Director of Adults, Health and Wellbeing to co-produce a Local Account for the Adults Health and Wellbeing Directorate.

The Local Account was a brief document to be published and shared with the citizens of the Borough to celebrate the successes across the Adults, Health and Wellbeing Directorate over the last year, to share the challenges and agree the priorities for the year ahead.

The Making it Real Board was formed in January 2024 as a strategic group for co-production. The Board was made up of local people with lived experience of drawing on care and support (social care, health or wellbeing services) in Stockton-on-Tees, working in equal partnership with Stockton-on-Tees Borough Council.

The Director of Adults, Health and Wellbeing asked the Making it Real Board to co-produce a Local Account for 2024. Whilst it was not mandatory to publish a Local Account, it was considered good practice as a way of reflecting on a Local Authority's Adult Social Care functions over the last year, improvements made, and its priorities for the year ahead. In order to acknowledge the achievements, challenges and priorities across the whole Directorate, the request was for the Local Account to span all of the Council's Adults Health and Wellbeing services.

Examples of Local Accounts were gathered and shared at the Making it Real Board as a starting point. A small working group was formed in April 2024 comprising some members of the Making it Real Board and Council Officers from two service areas within the Adults Health and Wellbeing Directorate. Officers from Adults Social Care, Public Health, Housing and A Fairer Stockton-on-Tees and Public Health were asked to share information about specific achievements, challenges and future priorities in those areas, to be considered for the Local Account.

Progress on the Local Account was brought back to each Making it Real Board meeting at each part of its development, for direction and agreement.

In its latter stages, members of the working group had liaised with the Council's Communication and Design and Print Teams to prepare the document for publication within the parameters of the Council's branding requirements, with the aim of maintaining the fidelity of the original document design as far as possible.

The Local Account would be a public document for all citizens across all wards in the Borough.

RESOLVED that:-

1. The report be noted.
2. The Local Account for Adults Health & Wellbeing 2024 be agreed and endorsed.

#### **CAB/66/24 Care & Health Winter Planning Update Oct 2024**

Consideration was given to a report This briefing provides an update to Cabinet on Winter planning work across the Council, working with partners. This includes measures in place across Adult Social Care (ASC) to respond to Winter pressures and the associated increase in service demands.

The report highlighted the following areas:-

- Winter Planning
- Integration Workshops
- Infectious Disease Surveillance
- Covid, flu and vaccinations
- Health Protection work with key settings



- Local health protection response
- Adult social care support
- Housing
- Supporting our communities

RESOLVED that the report be noted.

**CAB/67/24 Powering our Future - Call in - Potential Referral to Cabinet from Executive Scrutiny Committee on 12 November 2024**

The Director of Corporate Services informed the meeting that there had not been a referral from Executive Scrutiny Committee held on 12 November 2024.

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## AGENDA ITEM

## REPORT TO CABINET

12 DECEMBER 2024

## REPORT OF CORPORATE MANAGEMENT TEAM

### CABINET DECISION

**Leader of the Council – Councillor Bob Cook**

#### FINANCIAL UPDATE & MEDIUM TERM FINANCIAL PLAN

##### SUMMARY

The report provides an update on the financial position as at 30<sup>th</sup> September for the current year (2024/25) and presents outline plans for the 2025/26 Budget and the Medium Term Financial Plan (MTFP).

Members will be aware of the financial challenges facing Councils across the country, and the particular challenges faced locally within Stockton-on-Tees. Significant work is underway looking to address the financial pressures faced by the Council through the Powering our Futures Programme alongside additional mitigating actions. Members will be aware of the progress made so far on the transformation reviews, with the report to Cabinet in November outlining the first phase of savings from reviews.

The cost pressures and demand for Council services as noted in the report to Cabinet in September, continue to grow however, resulting in an updated projected overspend of £6.6m for the financial year 2024/25. If this materialises, it will need to be funded from earmarked reserves or any one-off funding.

The report also includes an update on the projected Medium Term Financial Plan. This incorporates some of the expenditure pressures we are experiencing, as well as early announcements from the Budget on 30<sup>th</sup> October 2024. There is still significant uncertainty around funding with more detail on the funding announcements is expected to follow in the Local Government Provisional Settlement expected week commencing 16<sup>th</sup> December. This will however be a one year settlement and therefore the information in respect of future years is indicative and subject to a fundamental review by the Government of Local Government Funding.

The report identifies a potential further pressure across the MTFP and highlights potential options for addressing this. This will be considered in the budget report in February.

Despite the budget challenges, we remain ambitious for Stockton-on-Tees and getting a better future for everyone who lives, works and plays here. We are confident we can work with our partners and communities to put in place new and innovative approaches which will not only save money but also reshape what we do for the better and in the best interests of our residents. We will do this through our Powering Our Future Programme.

In order to address the budget gap we need to act quickly so the first of the transformation reviews delivered through the Powering our Future programme are taking place between now and early next year.

In the meantime, all staff are being instructed to think carefully before authorising any spending and to consider how the Council can work with our partners and communities to ensure the best possible outcomes for residents, despite a reducing budget.

## REASON FOR RECOMMENDATIONS/DECISIONS

To update Members on financial performance in 2024/25 and to outline proposals for the 2025/26 Budget and MTFP based on latest available information.

## RECOMMENDATIONS

1. That the updated financial position for 2024/25 be noted.
2. That the revised Capital Programme at **Appendix A** be noted.
3. That the emerging issues for the MTFP be noted.

## DETAIL

### FINANCIAL POSITION 2024/25

#### FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

#### GENERAL FUND

1. Members will be aware that the report to Cabinet in September, which covered the first quarter of the financial year, reported a pressure of £3.9m. Growing demand for Council services and the increased cost of delivery is putting pressure on several budget headings.
2. The following table details the projected budget outturn position for each Directorate in 2024/25, based on information to 30 September 2024.

Directorate	Annual Budget	Projected Outturn	Projected Variance Q2 Over/(Under)	Projected Variance Q1 Over/(Under)	Movement from Q1
	£'000	£'000	£'000	£'000	£'000
Adults, Health & Wellbeing	96,072	98,507	2,435	1,619	816
Children's Services	57,078	60,608	3,530	1,658	1,872
Community Services, Environment & Culture	51,750	53,169	1,419	1,437	(18)
Finance, Transformation & Performance	13,824	14,002	178	127	51
Regeneration & Inclusive Growth	498	1,223	725	371	354
Corporate Services	12,142	12,186	44	20	24
Corporate Items	12,549	11,165	(1,384)	(540)	(844)
<b>Total</b>	<b>243,913</b>	<b>250,860</b>	<b>6,947</b>	<b>4,692</b>	<b>2,255</b>
Pay Offer		(340)	(340)	(800)	460
<b>Revised Total</b>	<b>243,913</b>	<b>250,520</b>	<b>6,607</b>	<b>3,892</b>	<b>2,715</b>

3. The projected position indicates a significant financial pressure for the current financial year, largely because of higher costs of goods and services due to recent large inflation increases, growth in demand for council services and recruitment and retention issues. All Directorates are considering opportunities to reduce / defer spend to support the position and the position will be kept under close review for the remainder of the year, with actions underway to try to improve the

position, however the challenge to do so whilst maintaining current service provision is more and more difficult in the current financial environment.

## **Reasons for movements since Quarter 1 over £100,000**

### **Adults, Health and Wellbeing**

4. Demand for Adult Social Care Services has continued to increase in the quarter with several young people having transitioned from Children's Services into Adults Services over recent months. These are significant high-cost packages and are projected to lead to a larger overspend in year than previous quarter. Members will be aware that the Transformation programme includes a focus on early help and prevention, supporting people to live independently and Transitions to Adulthood and these reviews will all consider ways of supporting the overall position.

### **Children's Services**

5. Children's Services continue to experience unprecedented budget pressures. Members will recall the commentary on the pressures in previous reports, along with actions to mitigate these pressures.
6. Based on the current children in external residential placements and the current price of their packages, this budget is projecting a further overspend of £1.9m. There are 8 placements costing more than £10,000 per week, with one placement now exceeding £18,000 per week. This would equate to a total annual cost is £5.8m for these 8 children alone.
7. As previously noted, the transformation programme is now underway. This will allow us to drive forward the transformation programme, with high-cost placements for Children in our Care a key focus. A new in-house children's home is due to open early in the new year, which will improve standards of care for the children and young people as well as reducing the use of external providers, therefore reducing costs.

### **Community Services, Environment and Culture**

8. There have been no significant movements in the projected position for the directorate

### **Finance, Transformation and Performance**

9. There are financial pressures emerging due to an increase in payments of benefits where subsidy is not paid at the normal 100% rate. This is in relation to supported accommodation and increased provision of temporary accommodation linked to increasing pressures of homelessness. This creates an anticipated pressure of £390,000 with the housing benefits budgets.
10. This is offset by further salary savings since quarter 1 and additional funding from the administration of grants, a projected saving of (£306,000).

### **Regeneration and Inclusive Growth**

11. Planning income continues to be a challenge to predict, recent estimates now indicate income is expected to be a further £357,000 less than budget.

### **Corporate Services**

12. There have been no significant movements in the projected position for Corporate Services.

### **Corporate Areas**

13. Treasury Management costs (AMRA) are expected to be lower than budget (£800,000). The Council is currently benefiting from an improved investment position in the short term, due to interest rates remaining at a higher rate.

**Pay Offer 2024/25**

14. We were notified on 23<sup>rd</sup> October that the pay award for 2024/25 for employees on National Joint Council terms and conditions has been agreed with the trade unions. The terms of the pay award are that all employees paid up to spinal column point 43 receives an additional sum of £1,290 and thereafter 2.5%. This was paid to employees as part of their November salary. The pay award for employees on Chief Officer grades had previously been agreed and paid. Budget requirements for each directorate have been calculated on this basis and the revised saving associated with the pay award is now reflected in the Q2 position.

**Powering our Futures – Progress towards closing the budget gap**

15. Members will be aware from recent reports to Cabinet on the Powering our Futures programme; aiming to improve council services alongside reducing pressure on council budgets. The Powering our Futures report to Cabinet on 17<sup>th</sup> October 2024 contained the positive progress achieved to date, which deliver savings so far of £4.644m by 2026/27. Progress is going well with all the reviews, and we are currently reviewing the profile and looking at when additional savings will be made. The expected savings from the reviews are still anticipated to be achieved, however there is potentially a delay to the delivery of some of the savings. This can be mitigated by utilising the windfall income in respect of Extended Producer Responsibility referred to in Paragraph 24.

**General Fund Balances and Reserves**

16. The Council aims to retain General Fund Balances at a prudent level, currently £8,000,000.
17. As described in paragraphs 3-14 above, should the projected position for the current financial year 2024/25 materialise at year end, then the sum of £6,607,000 would need to be funded from reserves.
18. In addition to the £8m General Fund balances the Council holds several earmarked reserves. This is funding earmarked for specific reasons such as insurance fund, fleet renewal fund, Public Health and Adults Integration reserves but could be re-directed to fund core expenditure. If savings do not materialise to fund the overspend, we would need to look at redirecting funds from these reserves. Whilst we can re-direct earmarked reserves to resolve immediate pressures this is not sustainable, over the medium term and the position needs to be addressed and we would also need to look to replenish the reserves we use to ensure that the Council are resilient moving forward. This will be considered further in the MTFP report in February.

**MEDIUM TERM FINANCIAL PLAN 2025 – 2028**

19. The projected position across the medium term has been reviewed:

**Current Approved MTFP**

20. The current approved position in February 2024 was as follows:

	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Budget Gap	7,138	8,100	8,905
Powering Our Futures	(7,138)	(8,100)	(8,100)
<b>Updated Budget Gap (+) / Surplus (-)</b>	<b>0</b>	<b>0</b>	<b>805</b>

21. The table above includes rolling forward the MTFP for an additional year into 2027/28, this is based on the same assumptions as the report to Council in February 2024 and it shows that the position for 2025/26 and 2026/27 is balanced assuming savings on transformation.

## Outlook

22. The Autumn Budget 2024 on 30<sup>th</sup> October announced several measures in relation to local government finance. A Policy paper issued on 28<sup>th</sup> November issued further clarification. The Key headlines:

- Additional funding for Local Government of:
  - £680m to support Adult's and Children's social care
  - £250m to support Children's Services
  - £600m new Recovery Fund allocated on a deprivation-based approach

Although the distribution of the above funds is not clear, it is included in Government spending control totals over the medium term.

- Business rates – From April 2025 the small business rates multiplier will continue to be frozen, however the standard multiplier will be updated by the September CPI rate to 55.5p. Eligible retail, hospitality and leisure (RHL) properties will receive 40% relief on their business rates liability. Local authorities will receive grant funding to compensate for the loss of income from these schemes.
- The rate of National Insurance contributions for employers will rise from 13.8% to 15% in April 2025, along with a change to the threshold at which employers pay NI contributions. There is speculation that local authorities will be compensated for direct costs.
- £90million funding will be available to support capital investment in children's homes. The Government also announced plans for a fundamental review of the Children's Social Care market in Phase 2 of the Spending Review (expected in Spring 2025).
- Funding was identified for the expansion of government funded childcare (£1.8billion); funding for breakfast clubs (£30million); and £69million for Family Hubs.
- The core schools' budget will increase by £2.3billion, which includes £1billion for SEND provision. There will also be £6.7billion available for capital investment in schools.
- Additional Funding for Disabled Families Grants of £86 million

23. There will be a one-year settlement for local government for 2025/26, with indications of a multi-year settlement from 2026/27.

24. The Provisional Local Government Finance Settlement is now expected to be announced week commencing 16<sup>th</sup> December. This will include provisional allocations at a local authority level of the changes mentioned above. This will subsequently be confirmed in the final Local Government Finance Settlement expected in February 2025.

25. Extended Producer Responsibility - Local authorities will receive £1.1 billion of new funding in 2025-26 through the implementation of the Extended Producer Responsibility scheme. This is a new funding from income generated from charged to businesses producing plastics and recycling, effectively to compensate Local Authorities delivering waste services. Our estimated allocation is £3.5m, however this has not been finalised and it is not clear how future allocations would be calculated. It is therefore suggested that this is treated as windfall income and can be used to support the delivery of some of the savings.

## Changes to current expenditure plans

26. Since the report to Cabinet in February 2024, there are several changes which will require the MTFP to be updated. The additional pressures encountered in the current year which were largely unknown at the time, will need to be incorporated into the plan.
27. The existing MTFP includes an annual uplift of £1.5m per year in respect of the impact of National Living Wage and inflation increases on Adult Care Fees. The recent announcement setting the National Living Wage level for 2025 at £12.21, was higher than anticipated. We are also seeing significant growth in the number of placements in the current financial year and it is anticipated that this will continue into future years. The current working assumption is a further increase of £5m in 25/26, plus an additional £1m growth per year thereafter.
28. Members will be aware from MTFP update reports over recent years the scale of the financial challenges we are facing within Children's Social Care, as well as the level of investment made into this area. Despite this investment, we continue to see growth in costs and demand, creating a further overspend during the current financial year as described earlier in the report.
29. These trends and demands within Children's Social Care are common across the country, with many local authorities facing the same issues. There are many external factors that are forcing prices up, creating a really devastating impact on council budgets. Work is ongoing within the transformation programme to try to mitigate the impact of some of these influences, however despite this it is estimated that a further £4m will be needed, rising by £1m per year thereafter.
30. The financial impact of the agreed pay award for 2024/25 will continue into following years. Based on more up to date information we have reviewed the pay award level required for future years. The agreed MTFP assumes 2% pay award across all years. The assumption for 2025/26 has been updated to 3%, leaving future years at 2%, and the impact of this reflected in the table below.
31. High levels of inflation over the past 2-3 years have seen increases across a lot of our services. We do not budget for inflation other than by exception, therefore in most instances services are asked to manage increased costs within existing budgets. A number of our commissioned services have been in fixed price contracts for several years, many with prices agreed before the unusually high levels of inflation. Contracts are now reaching expiry dates at varying dates, and we are experiencing a sharp rise in costs across many types of service. Procurement practices are followed with the aim to achieve the best value for money, however despite this we are still experiencing increased costs. ICT systems costs are one of these areas where we are experiencing large rises in costs, with an estimated £550,000 per year required across the MTFP.
32. Planning Income has been less than anticipated during 2024/25. There are several factors which can impact upon this, and it is often difficult to predict, however, Nutrient Neutrality issues alongside continued uncertainty over proposed planning reforms have both had a significant impact. As a result it is prudent to allow for a continuation of the reduced income level across the medium term, at £400,000 per year.
33. Grounds Maintenance is also an area where costs have risen this year due to higher supplier prices. This is predicted to continue across the medium term at £200,000 per year.
34. The cost of maintaining the Council's vehicle fleet is greater than budget, at £300,000 per year.
35. The Council's Home to School Transport budget continues to face significant financial pressures. The latest procurement process for the bus and taxi contracts, has seen an increase in costs. We are also seeing a rise in numbers of service users. Many councils are facing similar pressures



within Home to School Transport. Members will recall that Home to School Transport is a Phase 1 transformation review.

36. Additional Community Safety Officers have been previously funded from additional one-off funding. This is due to end in 24/25 and funding will be required in order to maintain the service at the current level.
37. The Colleagues mission within Powering our Futures has several strands of work it is focusing on. One of those is Getting into Work. The Council's Corporate Apprentice Programme is one of the very successful arms of this work. The number of apprentices appointed each year is positive, giving local people access to employment and training and development. In order to continue with the current level of investment, an additional £200,000 is required per annum.
38. The projected expenditure increases are summarised in the table below:

	2025/26 £'000	2026/27 £'000	2027/28 £'000
<b>Changes to expenditure plans</b>			
Adult Social Care	5,000	6,000	7,000
Children's Services	4,000	5,000	6,000
Pay Award - from 2% to 3%	1,279	973	973
ICT Systems	550	550	550
Planning Income Shortfall	400	400	400
Grounds Maintenance	200	200	200
Vehicles	300	300	300
Home to School Transport	350	750	1,150
Community Safety Officers	250	250	250
Corp App Programme / Getting into Work	200	200	200
<b>Total</b>	<b>12,529</b>	<b>14,623</b>	<b>17,023</b>

## Income and Resources

39. The provisional Local Government Finance Settlement is expected late December. This will contain the provisional funding allocations for 2025/26. The funding assumptions below are based on the information available, but they are subject to change.
40. The MTFP has been updated to reflect the Social Care Grant uplift for 2024/25 continuing.
41. Assumptions have been made about the New Homes Bonus continuing for a final year in 2025/26. This fund has been notoriously volatile from one year to the next and difficult to predict. The Council received £650,000 in 24/25, however modelling within the sector suggests the amount will be less in 25/26. We have assumed a sum of £580,000.
42. Paragraph 22 above outlines the funding in the Local Government Policy statement. Although final allocations will not be known until the finance settlement, an estimate of the funding has been made using the current distribution methodology. This could be in the region of £5.4m.
43. Council Tax and Business Rates – projections of council tax and business rates income are being updated and the figures underpinning this report will be kept under review prior to the final budget report in February. At this point the updated MTFP includes projections of growth in the Council Tax Base and inflation on Business Rates.

44. These changes to resources and income are summarised in the table below:

	2025/26 £'000	2026/27 £'000	2027/28 £'000
<b>Potential Additional Resources</b>			
Social Care Grant 24-25	(1,700)	(1,700)	(1,700)
New Homes Bonus	(580)	0	0
Additional Government Funding (see para 42)	(5,400)	(5,400)	(5,400)
Council Tax Base growth	(1,000)	(1,000)	(1,000)
Business Rates Inflation	(118)	(332)	(1,101)
<b>Total</b>	<b>(8,798)</b>	<b>(8,432)</b>	<b>(9,201)</b>

### Summary Position

45. A summary of the projected budget position over the MTFP is outlined below:

	2025/26 £'000	2026/27 £'000	2027/28 £'000
Updated Budget Position	0	0	805
Expenditure Pressures	12,529	14,623	17,023
Additional Income and Resources	(8,798)	(8,432)	(9,201)
<b>Budget Gap (+) / Surplus (-)</b>	<b>3,731</b>	<b>6,191</b>	<b>8,627</b>

46. The above table demonstrates that there is a projected gap over each year of the medium-term plan. This assumes the original savings from Powering our Futures are achieved, with any delay met by reserves in the short term. The information above includes several assumptions on government funding. Given the indications are that future funding will be targeted towards local authorities with greater need, there is the potential for additional resources which would impact on the projected gap above.

47. The current plan assumes a Council Tax increase of 2.9% in each year. Government have confirmed that the referendum limit in 2025/26 will stay the same as previous years at 5% increase, with indications that this may continue through to 2028. This referendum limit is made up of 2% increase for Adult Social Care Precept and 3% for core council tax. The potential additional resources available from a further 2% increase would equate to £2.4m for each year.

48. The final decision on Council tax will be taken as part of the report to Council in February, along with the approach for further savings to ensure a balanced budget is set.

## **CAPITAL PROGRAMME**

49. The updated Capital Programme is set out at **Appendix A** and summarised in the table below:

<b>CAPITAL PROGRAMME Up to 2027</b>	<b>Current Approved Programme £'000</b>	<b>Programme Revisions £'000</b>	<b>Revised Programme £'000</b>
School Investment Programme & Children's Services	32,521	29	32,551
Inclusive Growth	19,022	750	19,772
Regeneration	123,219	2,500	125,720
Transportation	43,228	150	43,378
Community & Environment, Culture & Leisure	19,608	110	19,719
Adults, Health & Wellbeing	3,997	548	4,545
Xentrall ICT	0	900	900
<b>Total Approved Capital MTFP</b>	<b>241,595</b>	<b>4,987</b>	<b>246,585</b>

50. The Capital Programme will be updated in the report to Cabinet and Council in February.

### **Reasons for movements over £100,000**

#### **New schemes**

##### ICT Infrastructure

- An upgrade to the ICT network has been added in for £900,000 this is to be funded from revenue. In line with the Xentrall Shared Services partnership arrangement 40% of this funding will be met from Darlington Borough Council.

##### Housing

- LAHF round 3 has been added to the programme, funded via MHCLG grant for two years, £468,000

#### **Additional Funding**

##### Regeneration

- £3.25m has been added in for Thornaby Cycleways linked to the Town Deal programme. This is funded through City Region Sustainable Transport money and other TVCA funding.

##### Transport

- Additional funding from MBC for Newport Bridge works, £151,770

#### **Revisions**

##### Regeneration

- The Town Centre borrowing has been allocated to interventions in line with the Central Stockton and North Thornaby Blueprint Delivery report approved by Cabinet in September 2024.

### **COMMUNITY IMPACT IMPLICATIONS**

51. As part of the process of making changes to policy or delivery of services, we consider the impact on our communities. No changes to policy or service delivery are proposed as part of this report.

### **CORPORATE PARENTING IMPLICATIONS**

52. No direct implications.

### **FINANCIAL IMPLICATIONS**

53. The report summarises the financial position for 2024/25 based on information for the second quarter of the financial year and updates Members on the MTFP and Capital Programme.

### **LEGAL IMPLICATIONS**

54. None

### **RISK ASSESSMENT**

55. This MTFP Update Report is categorised as medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk. Understanding cost pressures and future government funding over the coming weeks/months will be key to understanding and mitigating this risk.

### **WARDS AFFECTED AND CONSULTATION WITH WARD/COUNCILLORS**

56. Not applicable

### **BACKGROUND PAPERS**

57. None

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## Capital Programme September 2024 – Appendix A

CAPITAL PROGRAMME Up to 2027	Current Approved Programme	Programme Revisions	Revised Programme	Expenditure Apr 2018 - June 2024
<b>SCHOOL INVESTMENT PROGRAMME &amp; CHILDRENS SERVICES</b>				
School Investment Programme	24,455,206	0	24,455,206	11,944,119
Children Investment	8,065,951	29,350	8,095,301	810,151
<b>SCHOOL INVESTMENT PROGRAMME &amp; CHILDRENS SERVICES</b>	<b>32,521,157</b>	<b>29,350</b>	<b>32,550,507</b>	<b>12,754,270</b>
<b>INCLUSIVE GROWTH</b>				
Inclusive Growth & Development	9,521,909	0	9,521,909	1,762,893
Office Accommodation	9,500,511	750,000	10,250,511	8,153,574
<b>INCLUSIVE GROWTH</b>	<b>19,022,420</b>	<b>750,000</b>	<b>19,772,420</b>	<b>9,916,467</b>
<b>REGENERATION</b>				
Stockton Town Centre Schemes	2,914,451	15,000,000	17,914,451	1,225,351
Reshaping Town Centres	28,922,460	(17,500,000)	11,422,460	1,716,200
Billingham Town Centre	10,000,000	0	10,000,000	245,956
Thornaby Town Centre	29,837,140	3,250,000	33,087,140	4,876,906
Re-Development of Castlegate Site	29,184,381	1,750,000	30,934,381	8,989,926
Yarm & Eaglescliffe LUF	22,070,000	0	22,070,000	8,342,883
Infrastructure Enhancements, Regeneration & Property Acquisitions	291,717	0	291,717	0
<b>REGENERATION</b>	<b>123,220,149</b>	<b>2,500,000</b>	<b>125,720,149</b>	<b>25,397,222</b>
<b>TRANSPORTATION</b>				
City Regional Sustainable Transport	16,231,648	104,064	16,335,712	5,324,590
Other Transport Schemes	25,193,593	0	25,193,593	17,401,003
Developer Agreements	1,802,729	45,690	1,848,419	1,335,036
<b>TRANSPORTATION</b>	<b>43,227,970</b>	<b>149,754</b>	<b>43,377,724</b>	<b>24,060,629</b>
<b>COMMUNITY &amp; ENVIRONMENT AND CULTURE &amp; LEISURE</b>				
Energy Efficiency Schemes	1,244,110	(11,386)	1,232,724	1,248,685
Environment and Green Infrastructure	14,049,863	121,586	14,171,449	4,508,339
Building Management	2,787,924	0	2,787,924	1,507,596
Vehicle Replacement	1,525,720	0	1,525,720	433,251
<b>COMMUNITY &amp; ENVIRONMENT AND CULTURE &amp; LEISURE</b>	<b>19,607,617</b>	<b>110,200</b>	<b>19,717,817</b>	<b>7,697,871</b>
<b>ADULTS, HEALTH &amp; WELLBEING</b>				
Adults & Public Health Investment	332,421	60,000	392,421	172,278
Housing Regeneration	1,459,860	0	1,459,860	0
Private Sector Housing	2,204,665	487,844	2,692,509	1,016,282
<b>ADULTS, HEALTH &amp; WELLBEING</b>	<b>3,996,946</b>	<b>547,844</b>	<b>4,544,790</b>	<b>1,188,560</b>
<b>XENTRALL ICT</b>				
Xentrall ICT Network	0	900,000	900,000	0
<b>XENTRALL ICT</b>	<b>0</b>	<b>900,000</b>	<b>900,000</b>	<b>1,016,282</b>
<b>Total Approved Capital MTFP</b>	<b>241,596,260</b>	<b>4,987,148</b>	<b>246,583,408</b>	<b>81,015,018</b>

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## AGENDA ITEM

## REPORT TO CABINET

12 DECEMBER 2024

## REPORT OF SENIOR MANAGEMENT TEAM

### **CABINET/COUNCIL DECISION**

**Leader of the Council – Councillor Bob Cook**  
**Regeneration and Housing - Lead Cabinet Member – Councillor Nigel Cooke**

### **INCLUSIVE GROWTH STRATEGY**

#### **SUMMARY**

This report provides Cabinet with the revised Inclusive Growth Strategy 2025-2028 as one of the Council's key policy documents as outlined in the Stockton-on Tees Plan 2024-2028, for consideration by full Council in January 2025.

#### **REASONS FOR RECOMMENDATION(S)/DECISION(S)**

This Strategy marks a new direction for Inclusive Growth. It sets out a Vision for the future, developed in partnership with internal and external stakeholders and will directly link to the Fairer Stockton Framework, which aims to narrow inequalities gaps across the Borough.

The Strategy has been developed to reflect the importance of a long-term approach that encourages both sustained economic growth across the Borough and a more equitable distribution of the wealth that we generate.

Our aspirations for the local area are visionary and forward looking and once approved, the Inclusive Growth Strategy will serve as a guiding framework to work proactively with investors, developers and other stakeholders to create the right conditions for successful inclusive growth.

Whilst this is the Council's Inclusive Growth Strategy, we will work collaboratively with our partners, including the business community, to deliver our priorities for success. This will include our Business Ambassadors, who are working with us proactively as advocates for our people and our place.

#### **RECOMMENDATIONS**

Cabinet recommend to Council that:

1. The Inclusive Growth Strategy (attached at **Appendix 1**) be approved.

#### **DETAIL**

1. Inclusive Growth refers to broad-based growth that enables the widest range of people and places to contribute to economic success, and to benefit from it too. Its purpose is to achieve more prosperity alongside greater equity in opportunities and outcomes and enabling as many

people as possible to contribute and benefit from growth – essentially promoting economic growth that benefits the Borough’s residents.

2. The Strategy is centred on ten strategic ‘levers’. These are the themes that will govern our work on inclusive growth and will ensure that we as a Council take a comprehensive approach that focuses equally on economic growth and inclusivity. The themes are wide-ranging and include developing new economic roles for Stockton-on-Tees and ensuring we become a place recognised for good work, fair pay and responsible business ownership.
3. The ten levers reinforce the ambition of other Council strategies including the Fairer Stockton-on-Tees framework, the overarching 2024-28 Council Plan, and the emerging Powering Our Future Strategy. We will also work with the Tees Valley Combined Authority to complement their emphasis on inclusive growth and inequalities contained within the Tees Valley Strategic Economic Plan.
4. The ten levers are proposed as the focus of our activity to turn our Vision into reality. These are:
  1. Rapidly Growing and Broadening the Stockton Employment & Business Base
  2. Rapidly Growing and Broadening the Stockton Skills & Enterprise Base
  3. Helping our Businesses to Grow Faster and to Better Innovate
  4. Developing New Economic Roles and Functions within Stockton-on-Tees
  5. Changing the Image and Investor Perceptions of Stockton-on-Tees
  6. Ensuring All Our Target Communities Can Access Economic Opportunity
  7. Making Stockton-on-Tees a Recognised Place of Good Work & Fair Pay
  8. Making Stockton-on-Tees a Recognised Place of Responsible Business & Local Ownership
  9. Ensuring More Wealth is Retained in Stockton-on-Tees and Circulates Locally
  10. Putting More Economic Assets and Power into the Hands of our Local Communities

Further detail on each of these levers can be found in **Appendix 1**.

5. This Strategy was developed alongside key stakeholders, including engagement across all Council departments, external stakeholders and the business community. The outcomes this informed the priority actions under each of the ten levers.

## **COMMUNITY IMPACT IMPLICATIONS**

6. The Inclusive growth strategy has drawn from a wide range of data and intelligence and an Equality Impact Assessment has been completed. But overall, it represents the voice of the businesses in the Borough and residents engaging with the Employment and Training Hub. We’ve gathered intelligence from:
  - Engagement with our Business Ambassador Group
  - Engagement with member organisations NECC and FSB
  - Feedback from 1-1’s with businesses
  - Feedback from residents, actively seeking employment
  - Our Business Survey.

## **CORPORATE PARENTING IMPLICATIONS**

This report does not contain corporate parenting implications.



## **FINANCIAL IMPLICATIONS**

The Inclusive Growth Strategy is aligned with the Council's Medium Term Financial Plan. There are no financial implications as a direct result of this report. Financial implications will be considered through any proposed action to deliver and approval sought at that point.

## **LEGAL IMPLICATIONS**

Any and all legal implications will be identified through careful action planning throughout the delivery of the Strategy noting, in particular, that growing pressures on communities and public services will require effective management of the Council's resources, and that, any decisions made pursuant to the Strategy are also made in accordance with the law to minimise any risk of legal challenge.

## **RISK ASSESSMENT**

The Inclusive Growth Strategy provides the vision for the future of the borough. The greatest risk associated with the Strategy is that the development has not been sufficiently robust and that the wrong priorities have been identified. This risk has been mitigated by a detailed development process included considerable consultation with our business, partners and internally with Members and officers.

## **WARDS AFFECTED AND CONSULTATION WITH WARD/COUNCILLORS**

All Stockton-on-Tees wards affected.

Engagement has been carried out with Regeneration and Housing - Lead Cabinet Member Councillor Nigel Cooke.

Community impact will be measured around interventions within communities as part of the Strategy.

## **BACKGROUND PAPERS**

All relevant background papers are included within **Appendix 1**.

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# Inclusive Growth Strategy

2025-2028







# Foreword

This Inclusive Growth Strategy is a long-term approach that encourages both sustained economic growth across the Borough and a more equitable distribution of the wealth that we generate.

The Strategy is centred on ten strategic 'levers'. These are the themes that will govern our work on inclusive growth and will ensure that we as a Council take a comprehensive approach that focuses equally on economic growth and inclusivity. The themes are wide-ranging and include developing new economic roles for Stockton-on-Tees and ensuring we become a place recognised for good work, fair pay and responsible business ownership.

The ten levers reinforce the ambition of other Council strategies including the Fairer Stockton-on-Tees framework, the overarching 2024-28 Stockton-on-Tees Plan, and the emerging Powering Our Future Strategy. We will also work with the Tees Valley Combined Authority to complement their emphasis on inclusive growth and inequalities contained within the Tees Valley Strategic Economic Plan.

Our aspirations for the local area are visionary and forward looking and we will work proactively with investors, developers and other stakeholders to create the right conditions for successful inclusive growth. Whilst this is the Council's Inclusive Growth Strategy, we will work collaboratively with our partners, including the business community, to deliver our priorities for success. This will include our Business Ambassadors, who are working with us proactively as advocates for our people and our place.

The Strategy also includes a series of priority actions to ensure there are practical measures in place to realise our goals. Some of the measures I am most excited about are the delivery of our Care and Health Innovation Zone, the establishment of a Stockton-on-Tees<sup>1</sup> Good Employment Charter and our efforts to establish a B-Corp cluster in the Borough.

Stockton-on-Tees Borough Council is committed to helping broaden the distribution of economic wealth and addressing some of the profound inequalities we face in our Borough and recognise this needs to be a long-term commitment. We will need our other stakeholders, not least our local business community, to join us on this journey and make a similar long-term commitment.

**This strategy, and the actions that flow from it, will enable us to join a group of best-in-class authorities who take inclusive growth very seriously. We will now be able to better engage with and learn from these other leading authorities.**



A handwritten signature in black ink, appearing to read 'Nigel Cooke'.

**Councillor Nigel Cooke**  
Cabinet Member for  
Regeneration and  
Housing

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# 1. Introducing the Inclusive Growth Strategy

Inclusive Growth refers to broad-based growth that enables the widest range of people and places to contribute to economic success, and to benefit from it too. There is a dual focus on securing economic growth and ensuring that all wealth that is generated is broadly distributed.

Stockton-on-Tees Borough Council and our partners are firmly behind this concept. We want to be continually building the size and scale of our economic base, and we want the benefits of this growth to reach more fully across the whole labour market spectrum and across all our communities.

This strategy seeks to develop a virtuous circle where we keep growing our economic base and the proceeds of this growth get more and more equitably distributed. Specifically, the purpose of this strategy is to:

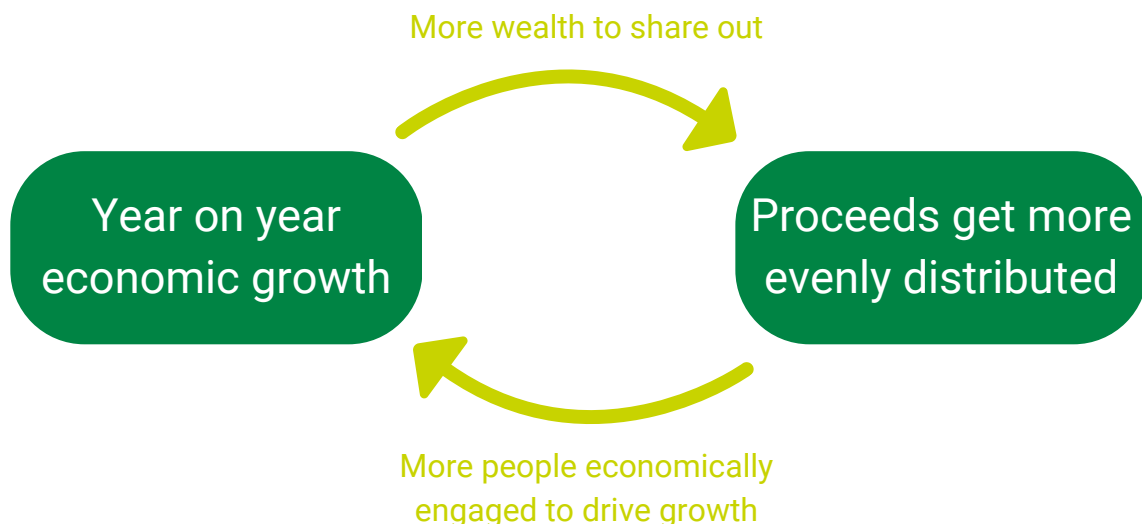
- Ensure we have the appropriate strategic framework in place to guide our own efforts on inclusive growth and to help us to shape the work of our other stakeholders.
- Identify a series of priority actions that will make a difference and trigger change.
- Establish a series of indicators to measure our progress in delivering inclusive growth.

The Strategy covers a three-year period between 2025 and 2028. Whilst elements of the Strategy will remain valid throughout the whole of this period other elements, such as the list of priority actions, will require periodic review and update.

The Strategy is one of the Council's core strategies and will directly link to the Fairer Stockton Framework, which aims to narrow inequalities gaps across the Borough. Access to better quality and higher value employment is identified as a key priority within that Framework and this Strategy will have a strong focus on increasing skills and training to support people into work.

Various other authorities have developed a strong reputation for their approach to inclusive growth, including Preston, Salford and various London boroughs. This strategy is designed to elevate Stockton-on-Tees into this leading group and ensure that we also become known for our commitment and innovation within the field of inclusive growth.

## The Virtuous Circle





## 2. Setting the Scene: Our Growth Challenge

Stockton-on-Tees is located at the heart of the Tees Valley region and at the centre of one of the most significant, and highly productive, integrated industrial economies in the world.

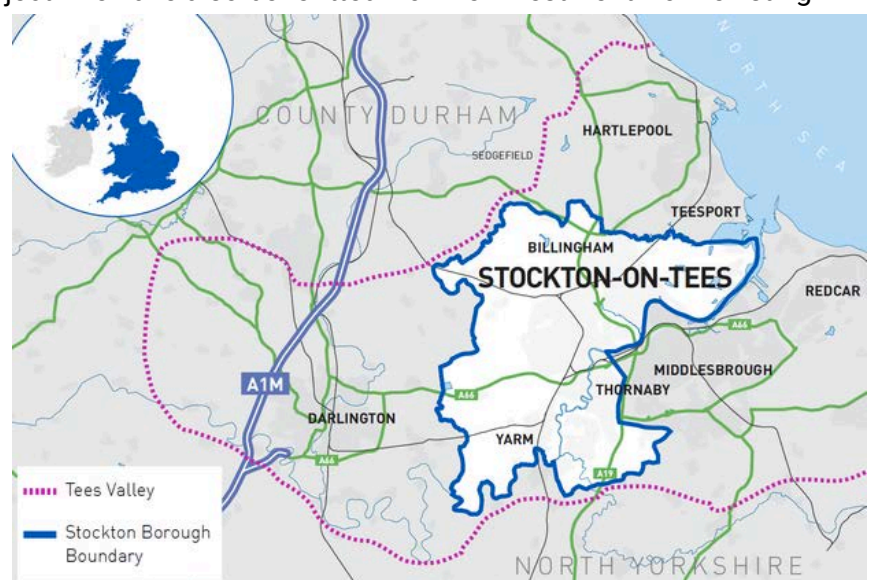
We host some 94,000 jobs<sup>1</sup> including the self-employed and generate Gross Value Added (GVA) of some £3.9 billion per annum<sup>2</sup> according to the latest available data. The Borough accounts for nearly a third of all jobs within the Tees Valley economy. GVA per hour worked data is a key UK measure of labour productivity. GVA per hour worked stands at £39.8 in Stockton-on-Tees<sup>3</sup>, above the average for the whole of the UK (£37.8) and a significant 35% above the average for the other four Tees Valley authorities of £29.1. This high rate of labour productivity reflects the sectoral structure of the Stockton-on-Tees economy.

Our jobs are split across a range of public and private sector employers. We host just under 5,500 VAT registered businesses with 87% of these employing less than 10 people<sup>4</sup>. Stockton-on-Tees has 20 private sector businesses employing over 250 staff. The size structure of the local economy is typical of the UK which is heavily orientated towards smaller firms.

Stockton-on-Tees has excellent connectivity with the rest of the UK. The Borough is in close proximity to the national road network via the A1(M), A19 and A66. Rail connectivity is provided by both the Tees Valley/TransPennine line (with direct services through to Manchester) and the Durham Coast line (with direct services to Newcastle). These links provide easy access to London Kings Cross.

The Borough has a strong track record of attracting inward investment – recent examples include Amazon and Alfanar’s Lighthouse Green Fuels Project. We have also benefitted from re-investment from existing major businesses – most notably the recent £400 million investment from Fujifilm Diosynth Biotechnologies at their Billingham campus.

Our target employment sectors for growth are Manufacturing, Health/Life Sciences/Social Care, Energy/ Environmental Technologies, Digital & Creative, Culture & Tourism and Chemicals/ Process Industries. These are the sectors where we believe we have most growth potential and where we will prioritise support.





We are well served by employment sites and growth locations. We anticipate that the majority of future employment growth will occur at:

- The central axis of Stockton Town Centre, North Shore, Teesdale Business Park and the Tees Marshalling Yards.
- The Billingham, Billingham Riverside and North Tees area including Belasis Business Park
- Wynyard Business Park.
- Sites in the south of the Borough (Durham Lane Industrial Estate, Preston Farm Industrial Estate, Teesside International Airport & Teesside Industrial Estate).

Despite the numerous positives outlined above, our jobs density (the ratio of jobs to working age population) stands at 0.78 and is somewhat below the GB average of 0.87<sup>5</sup>. We need another 10,000 jobs locally to match the GB jobs density average. Recent employment levels have been largely static and we have not made any significant progress in boosting jobs density in recent years.

On average some 31,000 Stockton-on-Tees residents leave the Borough each day for work purposes<sup>6</sup>. That said, there is a broadly equivalent inflow of workers each day from other boroughs.

 **1/3** of the Tees Valley economy

**Stockton-on-Tees accounts for 1/3 of the Tees Valley economy, with an employment base of 94,000 jobs**

 **+10,000** jobs in Stockton-on-Tees

**We need an extra 10,000 jobs to meet the GB average employment density**



We need to boost the number of jobs hosted within our area and take our employment levels well beyond the 100,000 mark.

Our economic growth push will come from a continued effort at securing new inward investment. Underpinning this effort will be the development of our major sites and premises, a focus on boosting external perceptions and work to further improve our strategic connectivity. Enhanced rail connectivity will be a major facilitator of future economic growth.

Growth will also be delivered by helping existing firms grow and innovate. Whilst official data is hard to source, our industrial configuration suggests that we already have a healthy proportion of firms that are engaged in either process or product innovation. We are committed to creating the conditions where more and more of our existing firms can expand and innovate.

We also need to retain and attract more higher level skills and more entrepreneurs into Stockton-on-Tees. Those with higher skills and an entrepreneurial streak are often wealth generators, and we need a housing and quality of life offer throughout Stockton-on-Tees that will attract more of these cohorts and reverse selective out-migration. As it stands, 35.6% of our residents are educated to degree level which is below both the North East average (39.6%) and national average (47.3%)<sup>7</sup>.

### **Our Target Growth Sectors:**

Manufacturing - Health/Life Sciences/Social Care - Energy/Environmental Technologies - Digital & Creative - Culture & Tourism - Chemicals/Process Industries

### **Our Main Growth Locations:**

Central Axis (Stockton Town Centre + Teesdale Business Park + Tees Marshalling Yards) - Portrack Lane - Billingham, Billingham Riverside and North Tees area - Wynyard Business Park - Key Sites in the south of the Borough (Durham Lane, Preston Farm, Teesside International Airport & Teesside Industrial Estate).



### 3. Setting the Scene: Our Inclusivity Challenge

Stockton-on-Tees has a resident population of some 197,000, 121,000 of whom are of a working age<sup>8</sup>.

The Borough provides circa one-third of the Tees Valley labour force and we can boast a relatively high volume of executive skills. Some 8.5% of residents are Managers, Directors and Senior Officials<sup>9</sup> (higher than the NE average) and 35.6% are educated to degree level or above.

The presence of executive skills reflects the high quality of life offer in certain parts of the Borough which has helped attract higher earning families for a number of decades.

 **35.6%**

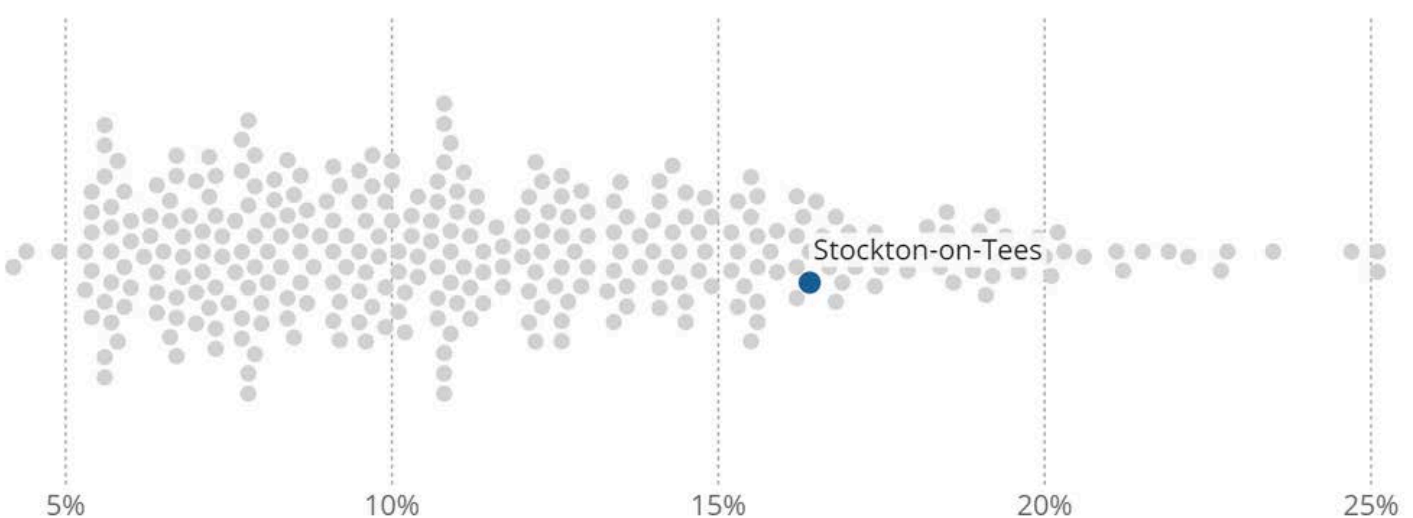
 **1/3**

of residents are educated to degree level, also above average for the NE region.

of the Tees Valley labour force is in Stockton-on-Tees, including an above average share of Managers, Directors and Senior Officials.

Despite these labour market assets, there are pronounced issues of inactivity and low wages in certain communities within the Borough. 16.4% of the population was 'income-deprived' in 2019<sup>10</sup> – this measures the proportion of people in an area who are either out of work or on low earnings. Of the 316 local authorities in England, Stockton-on-Tees is ranked the 50th most income-deprived – so in the top 15 percent.

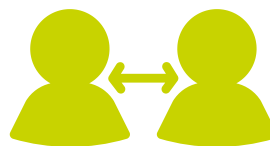
The overall rate of economic inactivity amongst our working age residents is 27% – over five percentage points above the GB average of 21.4%<sup>11</sup>. We are committed to reducing the rate of economic inactivity. This equates to 32,600 people and we are committed to reducing the rate of economic inactivity.



English local authorities by percentage of people in income deprivation, 2019



Data on average earnings in Stockton-on-Tees reveals a significant £4,200 gap between 'mean' and 'median' earnings<sup>12</sup>. This is an often-used measure of an earnings gap.



**£4,200**

gap between annual mean earnings and annual median earnings. This is often used as a measure of the earnings gap.

If the median (i.e. mid-point average) can be raised then the gap will be reduced. Bringing up the earnings of the lowest paid will be the main mechanism for increasing median earnings.

The earnings disparities in Stockton-on-Tees reflect the divergent occupational and skills profile of different communities within the Borough's labour force:

- Whilst we have an above average share of managers and directors, we also have an above average share of care/leisure staff (14.4% of all residents in work) and staff in 'elementary occupations' (11.7% of all residents in work)<sup>9</sup>.
- Whilst we have an above average share of residents educated to degree level, we also have a stubbornly high share of residents with either no qualifications (6.8%) or with low qualifications<sup>7</sup>.

The communities where issues of inactivity, lower skills and low wages are most noticeable are in the nine wards of Billingham East, Billingham South, Hardwick & Salters Lane, Mandale & Victoria, Newtown, Norton South, Roseworth, Stainsby Hill and Stockton Town Centre.

Issues of low skills and low wages are also evident in certain labour market groups, including young people, the over 50s, those with disabilities and those with long term health conditions. Tackling poor health is vital in boosting employment rates. Some 9,700 (30%) of those who are inactive want a job<sup>11</sup> – a number which is broadly equivalent to the 10,000 additional jobs we will need to create to match the GB employment density.





We need to work intensively with these communities (both spatially and thematically defined) to boost their rates of participation and average earnings. Specific issues we need to work on include:

- Tackling low pay. Too many jobs in Stockton-on-Tees are locked in at the national minimum wage. Improved pay for those earning the least will make a huge difference in us building a more inclusive economy.
- Encouraging our business community to be more socially responsible alongside our continued push for them to be more environmentally responsible. The decisions of business owners, particularly around boosting staff pay, are one of the most important variables in building inclusive economies. We also need our business community to step up in terms of offering increased work experience, work tasters and work placements.
- Broadening business ownership. Any efforts to broaden the ownership base within Stockton-on-Tees should help us in our inclusivity challenge, as more and more residents get both improved access to company profits and a greater say in company decisions.

Our ability to recirculate more wealth locally will also boost inclusivity. Spending local directly supports small and independent traders and enables them to offer better pay and conditions to workers.

If we achieve all of the above then Stockton-on-Tees will be a fundamentally more inclusive economy with significantly reduced inequalities.

#### **Our Target Areas for boosting the economic activity of residents:**

Billingham East - Billingham South - Hardwick & Salters Lane - Mandale & Victoria – Newtown - Norton South – Roseworth - Stainsby Hill - Stockton Town Centre.

#### **Our Target Labour Market Groups for boosting economic activity:**

Young people - The over 50s - Those with disabilities - Those with long term health conditions - Those without qualifications – Care leavers

## 4. Our Strategic Response: Ten Key Levers

This Inclusive Growth Strategy has the twin goals of delivering sustained economic growth and substantially reducing the income and wealth inequalities that exist in Stockton-on-Tees.

We have identified ten main 'levers' that we will need to pursue if we are to meet this vision. All ten are essential and will need to be pursued with equal vigour and in tandem with one another.

### We will deliver and sustain economic growth via:

#### 1. Rapidly Growing and Broadening the Stockton Employment & Business Base

Attracting investment and creating jobs has and will continue to be a focus of the Council and is a key priority for the Tees Valley Combined Authority (TVCA). We will be working closely with land-owners, developers and intermediaries to bring forward development that is of a high-quality, and to provide the infrastructure upgrades that further enhances the connectivity of Stockton-on-Tees into regional and national markets.

#### 2. Rapidly Growing and Broadening the Stockton Skills & Enterprise Base

New cohorts of wealth generators are required in Stockton-on-Tees if we are to sustain economic growth. This means making sure we have the housing, quality-of-life, cultural and heritage offer to retain and attract higher earning families and those with higher skills. Developing good quality housing and ongoing place-making initiatives are essential. We also need to develop our Further Education and Higher Education offer in order that we attract more students into the Borough, a number of who are likely to be retained long term.

#### 3. Helping our Businesses to Grow Faster and to Better Innovate

Continuing to support our local businesses to sustain and grow remains a key priority. This will include our work in shaping the business support infrastructure and funding landscape, assessing ongoing needs via business diagnostics, ensuring available premises and providing support for innovation. We also need to ensure that the necessary training provision is available locally to help our businesses address skills gaps and tackle recruitment difficulties and to support more start-ups.

#### 4. Developing New Economic Roles and Functions within Stockton-on-Tees

It is essential that we continue to invest in regenerating and repurposing Stockton's town centres and developing new strategic development sites. With a target of 10,000 additional jobs we will need to create new economic roles and functions. This will include the flagship Care and Health Innovation Zone and also expanding the Belasis Business Park and wider Billingham/Billingham Riverside area as a location of excellence in life sciences, biotechnology and chemicals.

#### 5. Changing the Image and Investor Perceptions of Stockton-on-Tees

In such a competitive world, the image and profile of Stockton-on-Tees needs continual management and investment. Raising the profile of the investment opportunities available locally through brand development, inward investment materials and strong brand ambassadors are all key. This will require a comprehensive Team-Stockton approach involving the Council, other anchor institutions and our residential and business community.



## **We will deliver and embed a fairer distribution of wealth via:**

### **6. Ensuring All Our Target Communities Can Access Economic Opportunity**

We want more residents to be in work by inspiring and enabling them to access the job opportunities available and being created by local businesses, and to feel confident in starting their own ventures. There are multiple barriers they face, including ill health, and we will work intensively in the main nine target Wards listed earlier in this strategy and amongst our priority labour market groups (also listed earlier). We also want to encourage young people to be aspirational in their career choices and for more of them to be making the right choice, first time.

### **7. Making Stockton-on-Tees a Recognised Place of Good Work & Fair Pay**

There is a move across the UK to deliver better rewards for the low paid and to embed the principles of good work in local areas. Stockton-on-Tees needs to be firmly part of this movement. We require a far higher proportion of our businesses and anchor institutions to go beyond the statutory minimum wage and to reward hard work with fairer pay. We will develop a Stockton-on-Tees Employment Charter to help embed these principles throughout our economy.

### **8. Making Stockton-on-Tees a Recognised Place of Responsible Business & Local Ownership**

Alongside the vital efforts to push our business community to be environmentally responsible, we also want our private sector partners to be more socially responsible. This will involve us establishing a deep and wide-ranging community of businesses who are striving for broader ownership structures, fair pay and a more substantive contribution to delivering local social impact. With this in mind, we will be implementing an initiative to spread the B-Corp movement throughout Stockton-on-Tees.

### **9. Ensuring More Wealth is Retained in Stockton-on-Tees and Circulates Locally**

As a large procurer of goods and services the Council will be developing our approach to make it easier for local businesses to access trading opportunities and to develop further how we can grow and measure the social value impact of what we spend locally. We will develop the supply chain infrastructure locally so that large businesses/anchor institutions can find what they are looking for with ease. These measures will help us retain more of our spending on local suppliers. As part of our emerging 'Partnerships Powering Our Future' we will ensure all local anchor institutions also deepen their commitment to local procurement.

### **10. Putting More Economic Assets and Power into the Hands of our Local Communities**

Wealth inequalities will, in part, be tackled by us supporting the growth and sustainability of a range of different business models - including social enterprises, cooperatives and mutuals – to win and deliver contracts. These business models are also examples of how workers, service users and local communities can have a real say and benefit from the wealth that is created in Stockton-on-Tees. As part of this drive, we will also explore the potential of more Community Land Trusts to put economic assets into the hands of communities. This Lever is fully aligned with the 'Communities Powering our Future Mission' within the Council's emerging Powering Our Future Strategy.

# Strategy at a Glance



## We will deliver and sustain Economic Growth

This Inclusive Growth Strategy has the Twin Goals of **Delivering Sustained Economic Growth** and **Substantially Reducing the Income and Wealth Inequalities** that Exist in Stockton-on-Tees

2. Rapidly Growing and Broadening the Stockton Skills & Enterprise Base

3. Helping our Businesses to Grow Faster and to Better Innovate

4. Developing New Economic Roles and Functions within Stockton-on-Tees

1. Rapidly Growing and Broadening the Stockton Employment & Business Base

5. Changing the Image and Investor Perceptions of Stockton-on-Tees

10. Putting More Economic Assets and Power into the Hands of our Local Communities

6. Ensuring All Our Target Communities Can Access Economic Opportunity

9. Ensuring More Wealth is Retained in Stockton-on-Tees and Circulates Locally

8. Making Stockton-on-Tees a Recognised Place of Responsible Business & Local Ownership

7. Making Stockton a Recognised Place of Good Work & Fair Pay





## 5. Our Priorities for Action

The following pages provide a schedule of our main priority actions under each of the ten levers. As set out in previous sections of this strategy, it is essential that actions are progressed comprehensively under all ten levers in parallel. The schedule is not intended as an exhaustive list and other actions will emerge and be taken forward alongside this list. The list itself will be the subject of frequent review and update.

Levers	Priority Actions
<p><b>Rapidly Growing and Broadening the Stockton Employment &amp; Business Base</b></p>	<ol style="list-style-type: none"> <li>1. Council to ensure the Borough has a <b>strong portfolio of available land and premises</b> for employment growth.</li> <li>2. Council to <b>lobby for improved strategic transport connectivity</b> into Stockton-on-Tees, for example through developing enhanced rail links.</li> <li>3. Ensure that <b>all major business locations in Stockton-on-Tees benefit from first class digital connectivity</b>.</li> </ol>
<p><b>Rapidly Growing and Broadening the Stockton Skills &amp; Enterprise Base</b></p>	<ol style="list-style-type: none"> <li>1. Council and partners to develop new and <b>expanded FE/HE educational assets</b> in Stockton-on-Tees, including for example supporting local ambitions for a new Medical School in Tees Valley.</li> <li>2. Council to use its powers/role to <b>ensure more aspirational housing is developed</b> in Stockton-on-Tees that will attract and retain higher value skills in the local area.</li> <li>3. Partners to continue with Town Centre place-making initiatives to <b>further enhance the quality of life offer</b> in Stockton-on-Tees – in order to attract and retain higher value skills and entrepreneurs.</li> </ol>
<p><b>Helping our Businesses to Grow Faster and to Better Innovate</b></p>	<ol style="list-style-type: none"> <li>1. <b>Targeted engagement from Council staff</b> with existing strategic and key businesses - to help them develop, grow and consolidate their bases within Stockton-on-Tees.</li> <li>2. <b>Develop a Business Knowledge Hub</b> to support a high volume of businesses with non-financial support, engage them in new markets and provide bespoke support.</li> <li>3. Continue with the Care Academy and <b>broaden skills gap work in relation to green skills and the low carbon/energy sectors, digital and health</b> to bring forward the necessary training provision to fill skills gaps.</li> </ol>
<p><b>Developing New Economic Roles and Functions within Stockton-on-Tees</b></p>	<ol style="list-style-type: none"> <li>1. Council and partners to <b>deliver the Tees Valley Care and Health Innovation Zone proposal</b>, creating a nationally significant cluster of employment.</li> <li>2. Continue to <b>redefine and redevelop Stockton Town Centre</b> for a variety of employment and related uses.</li> <li>3. Develop a <b>new regeneration blueprint for Billingham Riverside and Chemical Complex, Seal Sands and North Tees sites</b>, that are ideally positioned for servicing the North Sea and offshore industries. This will help achieve our ambition of becoming the world's first net zero industrial cluster by 2040.</li> </ol>
<p><b>Changing the Image and Investor Perceptions of Stockton-on-Tees</b></p>	<ol style="list-style-type: none"> <li>1. Continue to <b>fund the successful Invest in Stockton initiative</b> and explore new ways of brand dissemination.</li> <li>2. Council to <b>identify and support a cohort of brand ambassadors</b> who will help promote Stockton-on-Tees throughout the UK and further afield.</li> <li>3. <b>Engage with business to adopt the Council's new Place Branding</b>, focussing on campaigns aimed at changing perceptions.</li> </ol>

Levers	Priority Actions
<p><b>Ensuring All Our Target Communities Can Access Economic Opportunity</b></p>	<ol style="list-style-type: none"> <li>1. <b>Broaden the reach of the extremely successful Employment &amp; Training Hub</b> by continuing the Hub on Tour to engage and support residents and businesses within the community.</li> <li>2. Develop and deliver a programme of <b>support for business start-ups in the Borough</b> to support potential entrepreneurs and business start-ups to develop the insight, skills, and confidence they need to start and <b>grow a successful business</b>.</li> <li>3. <b>Continue the facilitation of targeted recruitment, apprenticeships and training initiatives</b> aligned with the needs of new and existing sectors, through the Employment &amp; Training Hub and the wider work of Stockton Council's Learning and Skills Service/Adult Skills Programmes.</li> </ol>
<p><b>Making Stockton a Recognised Place of Good Work &amp; Fair Pay</b></p>	<ol style="list-style-type: none"> <li>1. Under Council leadership, <b>establish a Stockton-on-Tees Good Employment Charter</b>.</li> <li>2. Stockton-on-Tees Council to <b>become an active member of the UK Inclusive Growth Network</b>.</li> <li>3. <b>Launch a Stockton Good Employment Awards scheme</b> that rewards socially responsible business leadership, possibly working with Tees Valley partners.</li> </ol>
<p><b>Making Stockton-on-Tees a Recognised Place of Responsible Business &amp; Local Ownership</b></p>	<ol style="list-style-type: none"> <li>1. Launch a place-based initiative to <b>increase the number of businesses delivering responsible business practices</b> and working with initiatives such as BCorp to establish a cluster of environmentally and socially sustainable businesses.</li> <li>2. Council to <b>facilitate wider local understanding and application of employee ownership models/trusts</b>.</li> <li>3. <b>Encouraging Stockton-on-Tees businesses to consider their role in providing social value opportunities</b> for local residents, and to maximise their social value and CSR contribution.</li> </ol>
<p><b>Ensuring More Wealth is Retained in Stockton-on-Tees and Circulates Locally</b></p>	<ol style="list-style-type: none"> <li>1. Council to work with local anchor institutions through our existing partnerships to <b>expand and deepen commitment to local procurement and add social value</b>.</li> <li>2. Council to <b>become active member of the UK Co-operative Councils Innovation Network</b>.</li> <li>3. Work with TVCA and other partners on the <b>development of an online Supply Chain Directory</b> that will improve knowledge of, and access to, local traders.</li> </ol>
<p><b>Putting More Economic Assets and Power into the Hands of our Local Communities</b></p>	<ol style="list-style-type: none"> <li>1. The Council and partners to <b>build local community leadership skills</b> – generating a new cadre of community/neighbourhood leaders capable of stimulating local change.</li> <li>2. Council will <b>advance opportunities to create community land trusts</b> – in order to put more economic assets under the direct stewardship of local communities.</li> <li>3. Continue to support and grow Catalyst Stockton-on-Tees in order to <b>facilitate a vibrant and growing voluntary, community &amp; social enterprise sector (VCSE)</b> in Stockton-on-Tees.</li> </ol>

## 6. Measuring Our Progress

We have identified a series of six metrics that we want to track to measure our progress in implementing this Inclusive Growth Strategy. If all ten levers of this strategy are implemented in tandem then we should begin to see positive movement on these metrics:

### Jobs<sup>1</sup>

Total jobs includes employees, self-employed, government-supported trainees and HM Forces.

**AMBITION**

94,000

**+10,000**

jobs to reach GB employment density

### Job Density<sup>5</sup>

Density figures represent the ratio of total jobs to population aged 16-64.

**AMBITION**

0.78

**+0.09**

to meet GB figures

### Higher Skill Levels<sup>7</sup>

Percent of residents with Level 4 qualifications or above: degree, higher degree, NVQ level 4 to 5, BTEC Higher level.

**AMBITION**

35.6%

**+11.7% points**

increase to meet England average





## Income Deprivation<sup>10</sup>

Percent of residents classed as income-deprived. Measures the proportion of people who are either claiming income support or on low earnings.

**AMBITION**

16.4%

**-5.5% points**

decrease to meet England average

## Economic Inactivity<sup>11</sup>

Measures the proportion of residents aged 16-64 who are economically inactive.

**AMBITION**

23.5%

**-2.3% points**

decrease to meet England average

## Earnings Gap<sup>12</sup>

Difference between annual mean average earnings (£37K) and average median earnings (£32.8K). Measure often used to measure earnings inequalities.

**AMBITION**

£4,200

**-£2,100**

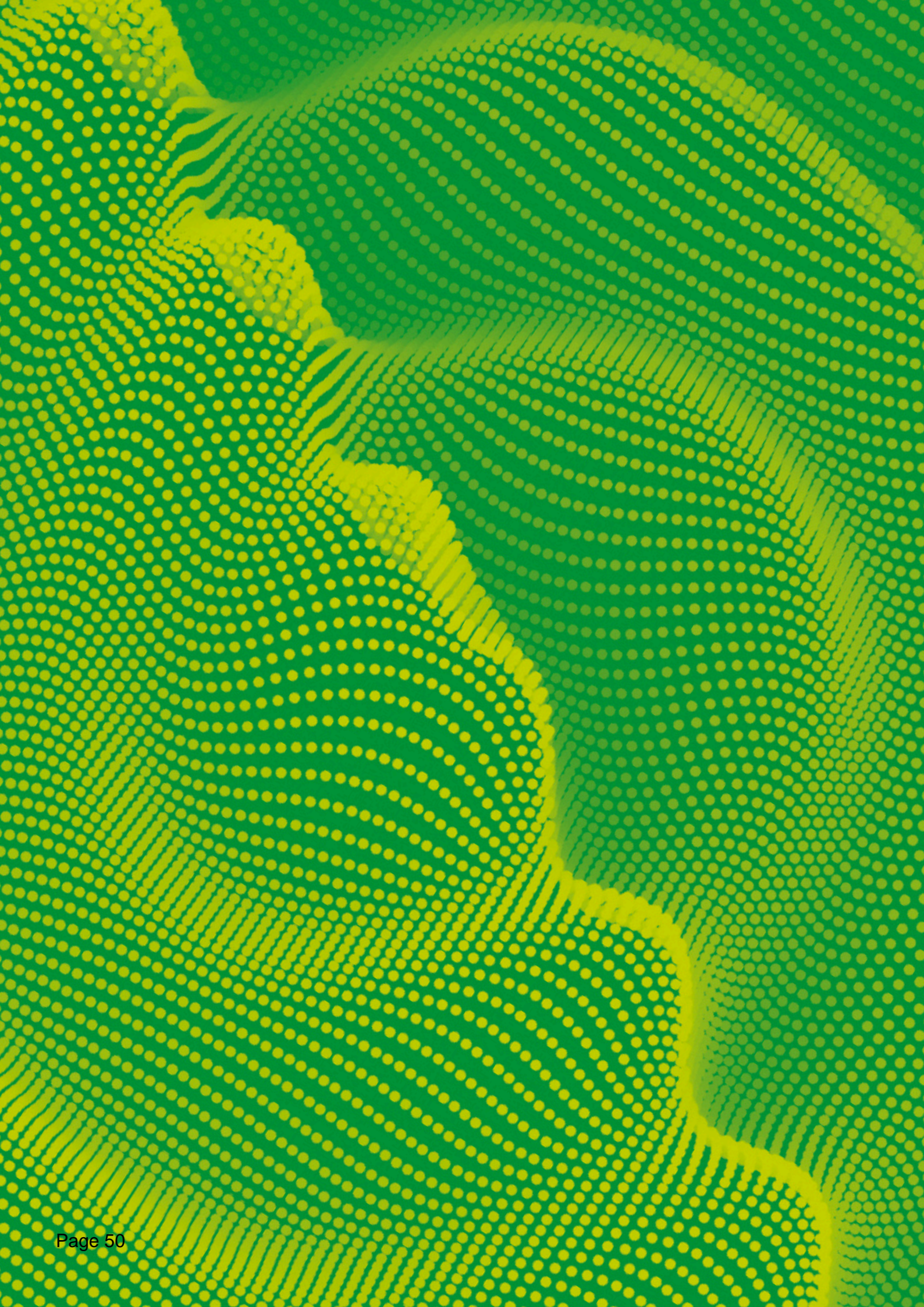
reduction required to halve the gap



## Data sources

1. Total jobs number includes employees, self-employed, government-supported trainees and HM Forces. Taken from ONS Job Density data and relates to 2022.
2. GVA data relates to 2015 and is taken from the 2017 ONS release Regional GVA by local authority in the UK.
3. GVA per hour worked data taken from the 2021 ONS Subregional Productivity dataset.
4. Company size structure data taken from UK Business Counts for 2023 via the Inter Departmental Business Register from ONS.
5. Job density figure represents the ratio of total jobs to population aged 16-64. Taken from ONS Job Density data and relates to 2022.
6. Travel to work data taken from Census 2011 Location of Usual Residence and Place of Work. Census 2021 data on this topic unreliable due to COVID travel to work restrictions.
7. Qualifications data taken from ONS Annual Population Survey and is for the calendar year Jan 2023-Dec 2023.
8. Population data taken from ONS Population Estimates and relates to 2021.
9. Occupational Structure data is taken from the ONS Annual Population Survey and relates to 2023.
10. Income deprivation data is based on data from the 2019 Index of Multiple Deprivation (IMD).
11. Economic inactivity data is taken from the ONS Annual Population Survey and relates to the period April 2023 to March 2024.
12. Earnings data taken from the ONS Annual Survey of Hours and Earnings (resident analysis) and relates to 2023.







## AGENDA ITEM

## REPORT TO CABINET

12 DECEMBER 2024

## REPORT OF CORPORATE MANAGEMENT TEAM

### CABINET DECISION

Leader of the Council – Councillor Bob Cook

#### STRATEGIC ASSET MANAGEMENT PLAN 2025-2030

#### SUMMARY

The Strategic Asset Management Plan (SAMP) 2025-2030 sets a strategic direction for the Council managing its land and property portfolio. It marks the transition to a Corporate Landlord Model, centralising all Council-owned assets' ownership and strategic management. This approach ensures efficiency, transparency, and alignment with the Council's strategic objectives. The SAMP outlines key aims and actions to maximise the use of land and buildings, drive regeneration and inclusive growth, and support community needs, all while promoting sustainability and value for money.

#### REASONS FOR RECOMMENDATION(S)/DECISION(S)

1. **Efficient Asset Management:** To manage Stockton-on-Tees Borough Council's assets to maximise value for money and align with strategic goals and community needs.
2. **Regeneration and Inclusive Growth:** To leverage land and property assets to stimulate regeneration, attract investment, and promote inclusive economic growth across the borough.
3. **Aligned Practices:** To standardise asset management processes across the Council for consistency, operational efficiency, and improved decision-making.

#### RECOMMENDATIONS

It is recommended that Cabinet:

1. Approve the live Strategic Asset Management Plan (SAMP) 2025-2030 (Appendix 1).
2. Endorse the implementation of the Corporate Landlord Model to centralise asset ownership and streamline management processes.
3. Note the planned review of assets to ensure their optimal use in alignment with strategic goals and community needs.

#### DETAIL

1. The Council's land and property portfolio includes operational buildings, commercial properties, community facilities, housing, and land assets. Given financial pressures, it is vital to manage

these assets effectively to achieve cost savings, generate income, and advance the Council's broader corporate priorities, including regeneration and inclusive growth, sustainability, and community well-being.

2. The Strategic Asset Management Plan (SAMP) 2025-2030 provides a strategic direction to align asset management with the Council's corporate objectives. The SAMP prioritises financial sustainability, regeneration and inclusive growth, asset efficiency, and meeting the community's diverse needs.
3. A core feature of the SAMP is the Asset Challenge process, which involves continuous evaluation of asset performance and relevance. This ensures that assets remain fit for purpose, contribute to corporate objectives, deliver value for money and align with service delivery needs. It also identifies opportunities for collaboration, partnership, repurposing, redeveloping, maximising income, and reducing operational costs. This process ensures the Council can adapt to changing needs and maximise the value of its assets.
4. The SAMP introduces a Corporate Landlord Model, centralising the ownership and management of assets under a corporate function. This shift ensures decisions align with the Council's strategic objectives, promote transparency, and maximise efficiency in service delivery. Service departments will become corporate tenants, using assets to deliver their services, while the Corporate Landlord will manage these assets, ensuring compliance with legal and operational standards.
5. The SAMP comprises three interconnecting components:
  - **Policy:** Establishes the overarching direction for managing Council assets to meet corporate objectives and priorities.
  - **Strategy:** Outlines the key aims for our assets, including a corporate approach, regeneration and inclusive growth, value for money, optimisation, community support and partnership, and sustainability.
  - **Action Plan:** Provides a live document detailing specific actions, performance measures, and timelines for achieving the strategy objectives.
6. Under the SAMP, the Council's asset management approach is structured around six key aims:
  - a. **Corporate Landlord Model:**

Under a Corporate Landlord model, ownership of all assets and responsibility for their management is centralised, shifting ownership from individual service departments to a Corporate Landlord function for consistency and improved financial efficiency. The service departments become corporate tenants and use assets for service delivery.
  - b. **Regeneration and Inclusive Growth:**

The Council will utilise its land and buildings to stimulate regeneration, attract investment, and promote inclusive growth. This includes prioritising assets to support business growth, revitalising town centres, and creating new opportunities for residents and businesses.
  - c. **Supporting Communities and Partners:**

This will highlight the role of Council assets in empowering local communities. It promotes using assets to strengthen partnerships with local organisations, support well-being, and foster social cohesion. The plan ensures that properties like community centres and public spaces deliver tangible social benefits by aligning asset management with community needs.



d. **Optimisation of Assets:**

The Council will ensure its assets are fully utilised, fit for purpose, and aligned with strategic goals through systematic review and challenge processes. This includes reducing operational costs, identifying opportunities for consolidation, and repurposing underutilised properties.

e. **Value for Money and Financial Efficiency:**

We will ensure that the Council's assets deliver optimal value for money. This includes continuously challenging occupation and utilisation, maximising financial returns, reducing operational costs, and ensuring assets are fit for purpose. The plan outlines a process of regularly challenging asset performance and utilisation, seeking opportunities for consolidation, income generation, and cost savings.

f. **Sustainability and Environmental Stewardship:**

The SAMP supports the Council's sustainability goals by ensuring environmentally responsible asset management. It sets out a strategy to reduce carbon emissions, improve energy efficiency, and promote sustainable practices across the estate.

7. Alongside the SAMP, we will develop specific targeted asset management strategies to address distinct needs and opportunities, ensuring they contribute effectively to the Council's corporate objectives. This approach will allow for more focused management and asset optimisation while ensuring alignment with the overall vision outlined in the SAMP.

## **COMMUNITY IMPACT IMPLICATIONS**

The SAMP is a broad Council-wide strategy based on which subsequent strategic decisions regarding Council-owned assets will be made. The potential impact of these decisions will need to be considered individually with the Equality Act 2010.

The SAMP aligns with the Council's Powering Our Future (POF) programme, which has a long-term vision for Stockton-on-Tees. One of the POF missions relevant to the SAMP is the Regeneration Mission, which aims to generate more employment opportunities, reduce the demand for services, and achieve financial savings. The Communities Mission of the POF programme is also relevant, as the SAMP will identify community needs and take action to provide meaningful community benefits. The best possible outcomes for the local community is a key aim of the SAMP.

Further Cabinet Member briefings will inform members of significant actions and decisions after adopting the SAMP.

The Council has considered how the proposed SAMP could affect groups within the 12 protected characteristics listed in the Equality Act 2010 and Public Sector Equality Duty. The impact is neutral.

## **CORPORATE PARENTING IMPLICATIONS**

The SAMP will consider children's and young people's needs, especially with assets that support services for children and families. Any property-related changes will account for the safety, accessibility, and well-being of young residents. If no direct implications are identified, this will be noted.

## **FINANCIAL IMPLICATIONS**

The implementation of the SAMP is expected to generate significant revenue savings and increase income and capital receipts. The Corporate Landlord Model will help streamline maintenance costs, and strategic asset disposals will reduce operational costs and provide additional funding.

## LEGAL IMPLICATIONS

The SAMP and associated asset management practices comply with local authority legislation and statutory requirements. All asset-related decisions will adhere to governance frameworks outlined in the Council's Constitution. Legal Services will be consulted on major asset management decisions to ensure compliance.

## RISK ASSESSMENT

The SAMP has been categorised as low to medium risk, with key risks mitigated through comprehensive governance and monitoring:

- **Asset Value Decline:** Mitigated by continuous asset reviews and performance management.
- **Financial Risks:** Addressed through strategic asset disposals and income generation plans.
- **Service Disruptions:** Minimised by aligning asset management with service delivery needs.

## WARDS AFFECTED AND CONSULTATION WITH WARD/COUNCILLORS

All wards will be affected. As this is a live SAMP, consultation with key stakeholders will inform its development, and future asset reviews will engage relevant ward councillors and community groups as needed.

## BACKGROUND PAPERS

None.

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**Post Title: Director of Regeneration and Inclusive Growth**  
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**Email Address: [tracey.carter@stockton.gov.uk](mailto:tracey.carter@stockton.gov.uk)**



## Strategic Asset Management Plan

2025-2030

Stockton-on-Tees Borough Council's Strategic Asset Management Plan provides a strategic direction for managing our land and property portfolio. It outlines key aims and actions to maximise the use of land and buildings, drive regeneration and inclusive growth, and support community needs, all while promoting sustainability and value for money.



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## Foreword

Effective asset management is crucial to ensuring that Stockton-on-Tees Borough Council can deliver high-quality services to our residents, foster economic growth, and promote the well-being of our communities.

As we navigate a complex and rapidly changing environment, the need for a clear and strategic approach to managing our assets has never been more critical. This Strategic Asset Management Plan outlines our commitment to making informed, transparent, and future-focused decisions that benefit our community. Through this strategy, we will optimise the use of our assets, reduce operational costs, and seize opportunities for regeneration and financial growth, all while contributing to Stockton-on-Tees' long-term vision.

This document reflects our values, prioritising environmental sustainability, inclusivity, and our borough's economic resilience. It will guide how we manage our portfolio over the coming years, ensuring that every decision we make aligns with the Council's overarching objectives and the best interests of our residents.

I am confident that this strategy will provide the foundation for a stronger, more vibrant Stockton-on-Tees and support the delivery of essential services for future generations.

**Bob Cooke**

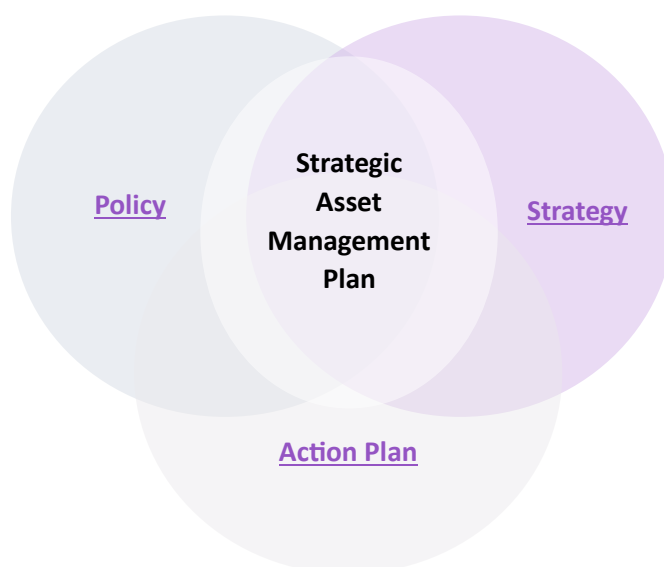
**Leader of the Council**

## Introduction

Stockton-on-Tees Borough Council holds the freehold and leasehold of 270 buildings, with a combined land and property valuation, including infrastructure assets, of £423,074,000 as of 31 March 2024. We also own 4,638 acres (1,877 hectares) of land. These assets are not merely physical structures but critical resources that facilitate the Council's service delivery, foster community development, and contribute significantly to the borough's economic, environmental, and social well-being.

The Council is committed to delivering the best outcomes for the local community, making property decisions that reflect its long-term vision and contributing to the growth and prosperity of Stockton on Tees. This includes maximising the value of assets and ensuring that they align with its strategic objectives.

The aim is to adopt a comprehensive Strategic Asset Management Plan that underpins the strategic asset management approach. This ensures asset management is embedded in the decision-making processes across the Council, allowing for **consistent, transparent, and forward-thinking asset management** that supports the Council's priorities.



The Strategic Asset Management Plan consists of three core components:

1. **Policy:** This policy defines the overall direction for managing our assets to deliver the Council's Corporate objectives and priorities over the next five years.
2. **Strategy:** This overviews our assets and outlines our key aims for managing our assets to support our corporate objectives. The strategy is a three-year document we will keep under regular review and challenge.
3. **Action Plan:** This actionable live plan provides specific steps and timelines for achieving the strategy's objectives. It is designed to adapt and respond to changing needs and circumstances.

Each component will be regularly updated to ensure relevance and responsiveness to evolving needs.

## Asset Management Policy 2025-2030

The Asset Management Policy (AMP) is the overall policy direction for managing the Council's assets. It ensures that all actions and decisions are aligned with the [Council's Objectives and priorities](#) and translates the objectives and priorities into key aims for managing our assets. This policy establishes a corporate approach that promotes transparency and consistency in managing the Council's assets, setting clear expectations for behaviours and decision-making processes.

### The Key Aims for Our Assets

We aim to develop an effective, efficient, and economic portfolio underpinned by the following key aims.

Above all, it reaffirms the commitment to the community and residents and ensures all decisions are made with their best interests in mind.



**Corporate Approach:** Establish a Corporate Landlord Model to promote a corporate mindset in asset management and ensure decisions align with the Council's strategic goals and service objectives.



**Regeneration and Inclusive Growth:** To utilise land and property assets to drive development and economic regeneration in the borough, foster growth, meet the needs of local businesses, and attract new business opportunities.



**Communities and Partners:** To empower communities to prosper by creating an environment that supports well-being, social cohesion, and active engagement.



**Value for Money:** Continuously reviewing and challenging asset use and utilisation to maximise returns, minimise operational costs, and enhance service delivery.



**Optimisation:** Ensuring assets are fit-for-purpose in the right location to meet service needs and to future-proof.



**Sustainability and Environment:** To promote a sustainable estate that aims to reduce CO2 emissions, minimise resource use and improve resilience to a changing climate.

### Corporate Landlord Model

Implementing a Corporate Landlord Model ensures that all asset-related decisions align with the Council's broader strategic goals, including financial efficiency, supporting economic growth, sustainability, and excellence in service delivery.

The key principles of the Corporate Landlord Model are:

- 1. Centralised control of all assets,** including operational land, buildings, and investment properties. Service areas operate as tenants, utilising these assets based on business needs while complying with corporate governance protocols.
- 2. Enhanced Accountability and Governance:** The Corporate Asset Management Board/Placemaking Board/Corporate Management Team/Cabinet approval (as necessary) will strategically review and approve all asset-related decisions to ensure transparency, compliance, and alignment with Council objectives.
- 3. Roles and Responsibilities:** The Corporate Landlord team will promote efficiency and compliance by serving as custodians of the Council's assets.





## The Stockton on Tees Plan 2024-2028

The Stockton on Tees Plan sets the vision for our borough's future. It is a guiding framework for the Council, our partners, and our communities to work together towards a shared future that brings this vision to life. The plan sets out five priorities to deliver

the vision over the five years, and this will guide how we manage our assets as follows:

### Providing the Best Start in Life to achieve big ambitions

The Council's assets are instrumental in supporting the health, education, and development of children and families across the borough. We will ensure that assets are maintained to high standards, providing safe and inclusive environments that contribute to positive outcomes for children and young people. We will ensure our facilities are well-located and designed to meet the evolving needs of our communities.

### Healthy and Resilient Communities

The health and well-being of residents and our communities are central to the Council's vision. We will ensure our assets are aligned so that we work closely with our communities and partners to help meet the needs of our residents. Aligning asset management with health and well-being objectives helps create a healthier, more resilient community. This includes maintaining these spaces to high standards, ensuring they are accessible to all residents, and designing them to support various activities that contribute to physical and mental well-being. Our assets will play a critical role by ensuring that assets such as our parks, leisure facilities, and public spaces are managed to promote physical activity, social interaction, and access to health services.

### A Great Place to Live, Work and Visit

The quality and management of the Council's assets directly impact the overall quality of life in the borough. We will ensure that our assets promote environmental sustainability, including implementing energy-saving measures and reducing carbon emissions. The Asset Management Strategy prioritises our assets' maintenance, sustainability, and environmental stewardship, ensuring our neighbourhoods are clean, safe, and attractive places to live.

### An Inclusive Economy

A robust and inclusive economy is essential for the borough's long-term prosperity. We will ensure that the Council's assets are managed to stimulate economic growth, attract investment, and create opportunities for all residents. This includes optimising the use of commercial properties, supporting town centre regeneration, and leveraging our assets to encourage entrepreneurship and innovation. It also emphasises the importance of inclusivity, ensuring that all residents have access to the economic opportunities available in the borough, thereby supporting the Council's commitment to social equity.

### A Sustainable Council

The sustainability of the Council's services is closely tied to the effective management of its assets. We will ensure that our property portfolio is managed to support financial efficiency and reduce operational costs. This includes exploring opportunities for income generation through the strategic use of our assets. Prioritising sustainability in asset management helps ensure the long-term viability of the Council's services and supports the broader goal of creating a financially sustainable future.

Other Policy documents: Transformation Programme; MTFP; Others TBC

## Asset Management Strategy 2025 - 2028

The Asset Management Strategy provides the direction for achieving the overarching Asset Management Policy over the next three years. It provides an overview of our current land and property portfolio and our decision-making governance process for retaining, repurposing, acquiring, and disposing of assets. The strategy is shorter than the policy as it is expected to be continually reviewed and modified as circumstances evolve to ensure relevance and responsiveness.

As a significant land and property owner, the Council can lead and influence growth and regeneration throughout the borough. By leveraging its assets, the Council will support housing, employment, and commercial development, contributing to the economic vitality of Stockton-on-Tees. Continuous optimisation can also ensure assets generate significant financial gains and provide meaningful community benefits. This strategy is built around five key aims for our assets as set out in the Asset Management Plan, each of which is critical to achieving the Council's long-term vision for our assets:

### The Key Aims for Our Assets

#### Corporate Approach



This emphasises treating all assets as a corporate resource that supports the Council's broader strategic objectives. We will adopt a corporate approach by introducing a Corporate Landlord Model to manage Council-owned assets effectively. This approach ensures that all asset decisions align with the Council's strategic objectives and long-term priorities, including service delivery, financial sustainability, and community well-being.



#### Regeneration and Inclusive Growth

Land and buildings should be used to stimulate development and economic and physical regeneration, as well as to stimulate growth, support local business needs, and encourage new business.



#### Communities and Partnership

Develop strong partnerships with local organisations, businesses, and public sector agencies, working together to address community needs, deliver shared objectives, and develop sustainable solutions that enhance the quality of life for all residents.



#### Optimisation

Working with our service areas and creating service plans will help us understand medium-to long-term requirements.

The Council's optimisation strategy aims to ensure that all our retained assets are:

- **High standard**
- Located in the **right places**, and
- Used **efficiently** to meet current and future service needs.



#### Value for Money

Managing property effectively and securing efficiencies by:  
Challenging occupation and utilisation.

- Maximising returns,
- Minimising operational costs, and
- Enhancing service delivery.



#### Sustainability and Environment

Ensure assets are environmentally sustainable and promote a sustainable environment that aims to reduce CO2 emissions, minimise resource use and improve resilience to a changing climate.



In developing these key aims, we will adopt specific actions and behaviours related to our land and property and evaluate performance using the appropriate measures described below. The key challenge will be maintaining an appropriate balance around these actions when decisions are made.

<p><b>Actions</b></p> <p><b>Corporate Approach</b></p> <p><b>Measures</b></p>	<p><b>Balance</b> effectively between corporate and service objectives and priorities.  <b>Implement</b> robust business planning and options appraisals.  <b>Ensure</b> property use and decision-making are at a senior level, with representation from all directorates to ensure diverse perspectives.</p> <p><b>Reduction</b> of operational costs through strategic decisions.  <b>Report</b> on asset performance and how it aligns with Council objectives.  <b>Review</b> to ensure the challenge of assets is aligned with Council Objectives.</p>
<p><b>Actions</b></p> <p><b>Regeneration and Inclusive Growth</b></p> <p><b>Measures</b></p>	<p><b>Support:</b> We will use assets to support regeneration, attract inward investment, revitalise town centres and communities, foster social interaction, and promote local heritage.  <b>Align:</b> Land and Property decisions with regeneration and inclusive growth to maximise the impact.  <b>Stimulate Regeneration:</b> We will ensure our property decisions are integrated with regeneration and economic development strategies.  <b>Opportunities:</b> To develop local skills and supply chains to enhance growth.</p> <p><b>Identification:</b> Sites with redevelopment opportunities.  <b>Targets:</b> Contribute towards housing and employment targets.</p>
<p><b>Actions</b></p> <p><b>Communities and Partners</b></p> <p><b>Measures</b></p>	<p><b>Opportunities:</b> Encourage shared locations with the voluntary/community sector.  <b>Encouraging:</b> The involvement of communities and other key stakeholders in making choices for service delivery within their area.</p> <p><b>Cost reduction:</b> Assets used as a shared facility and maximising space use.  <b>Mapping:</b> all partner assets to maximise opportunities.</p>
<p><b>Actions</b></p> <p><b>Value for Money</b></p> <p><b>Measures</b></p>	<p><b>Review and challenge asset utilisation:</b> Identifying opportunities for consolidation, agile working, and improved service delivery.  <b>Prioritising:</b> Disposing surplus assets, maximising capital receipts and revenue savings.  <b>Leases:</b> Seeking opportunities to reduce cost through early release from leases where possible.  <b>Maximise co-location opportunities:</b> We will actively seek opportunities to co-locate across the Council and collaborate with other public services, community groups, and private sector partners to enhance asset value, reduce costs, and generate income.  <b>Commercialisation:</b> Maximising the financial return from commercial assets and exploring new opportunities for income generation.</p> <p><b>Capital receipts targets: define revenue targets from disposals.</b>  <b>Operational Costs:</b> running costs per m2 or FTE  <b>Utilisation:</b> of vacant space and under-utilised space.  <b>Benchmark:</b> Against other similar assets to drive performance improvement.</p>
<p><b>Actions</b></p> <p><b>Sustainability and Environment</b></p> <p><b>Measures</b></p>	<p><b>Promote</b> A sustainable environment that aims to reduce CO2 emissions, minimise resource use and improve resilience to a changing climate.  <b>Encourage Sustainable</b> and active travel choices through building design, access and infrastructure.  <b>Local:</b> Use local goods and services where possible.  <b>Active:</b> Manage assets to reduce carbon emissions and encourage our tenants to adopt similar sustainable practices.</p> <p><b>Monitor and Reduce:</b> Energy and water consumption.  <b>Renewables:</b> Track the percentage of energy consumption generated by on-site renewables.  <b>Goals:</b> Set clear goals to reduce overall carbon emissions and report progress.</p>

## Asset Challenge

To meet the key aims of our assets, we will regularly undertake an Asset Challenge to continuously review asset use and optimisation and understand and evaluate asset performance and relevance against our corporate objectives.

As shown in [Appendix 2](#), we have framed this process as an asset-health check (**PULSES**) using the following criteria to evaluate current assets as well as part of the essential criteria for acquiring assets:

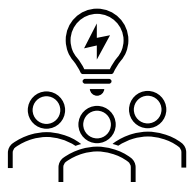


- **Purpose:** Does the asset align with the Council's strategic objectives?
- **Utilisation:** Is the asset fully utilised and adaptable to future needs?
- **Location:** Is the asset in the right location for service delivery and accessibility?
- **Sustainability and Environment:** Does the asset meet environmental and statutory requirements, and can it be more energy-efficient or carbon-neutral?
- **Economic Viability:** How do the operating costs compare to other assets, and what are the capital investment requirements?
- **Statutory Compliance:** Does the asset comply with all the required statutory compliance to enable operational use?

As shown in [Appendix 2](#), for the criterion **Purpose, Utilisation, Location, Sustainability and Economic**, the score of **0, 3 or 5** will be multiplied by the criterion's weight to get the weighted score. The final score will be calculated as a percentage of the maximum possible score.

**Statutory Compliance** will be a Pass/Fail criterion, and we will report on those issues identified through the [governance structure](#) immediately.

In reporting, as shown in [Appendix 3](#), we will set out economic performance measures and will identify opportunities for:



- Collaboration
- Partnership
- Repurposing
- Redevelopment
- Maximise income and reduce operational costs

## Maximising financial returns

To ensure we deliver Value for Money and are financially sustainable, we developed a Commercial Income Scoring Matrix within [Appendix 4](#), which sets the essential criteria for retaining and acquiring investments.

To maximise income and returns, we will review our commercial income portfolio periodically, at least once a year, and action opportunities to increase income through re-gearing, rent reviews and lease renewal.

This will ensure we only retain and acquire investments matching good performance and action any non-performing investments by re-gearing, repurposing, or disposal.

## Property Portfolio Overview

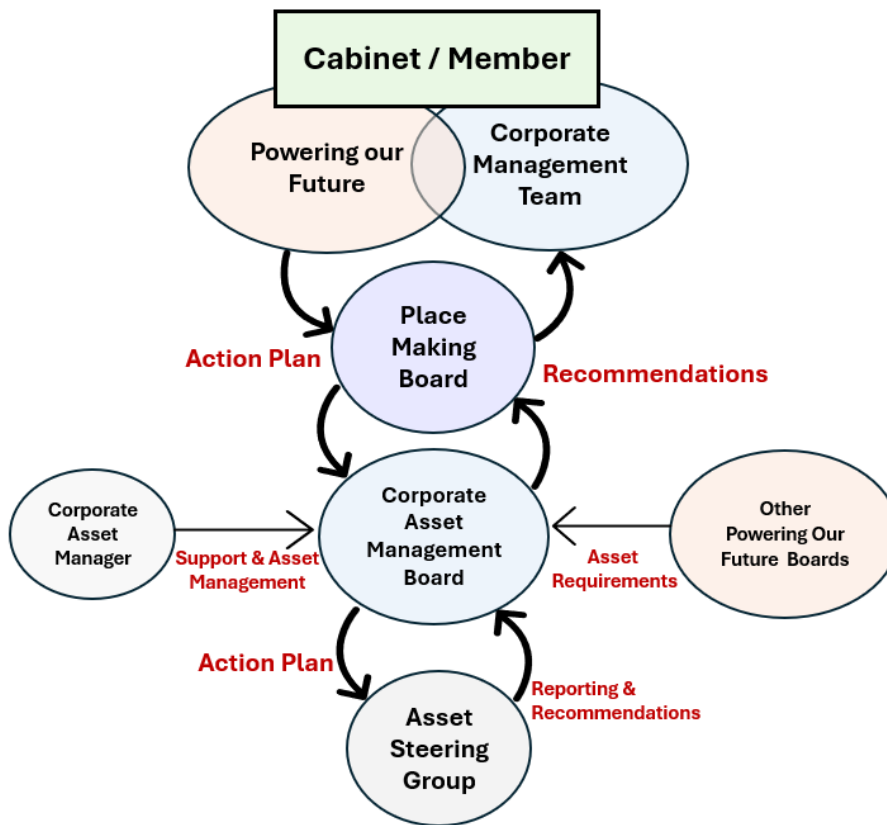
Stockton-on-Tees Borough Council's property portfolio includes many assets, from operational buildings used for front-line services to commercial properties, cultural assets, and public spaces. Each asset type delivers services and supports the borough's social and economic infrastructure.

**Portfolio details: To be provided include asset numbers and asset type.**

## Governance and Accountability

Effective governance is critical to the successful implementation of the Asset Management Plan.

As described in the flowchart below, under the direction of the Corporate Asset Management Board, the Asset Steering Group will serve as the primary body responsible for carrying out the Asset Challenge and reporting Performance Measures and Opportunities. It will make recommendations to the Corporate Asset Management Board while ensuring all recommendations align with the Council's corporate objectives. The Asset Steering Group will also oversee the implementation of the Asset Management Action Plan as directed by the Corporate Asset Management Board/Placemaking Board/Corporate Management Team/Cabinet approval (as necessary). The Corporate Asset Manager role will manage and rationalise the asset portfolio on behalf of the Corporate Asset Management Group.



The Transformation Project Teams/POF boards will primarily drive service-led asset requirements, with the Placemaking Board and Corporate Management Team providing the strategic direction.

This governance structure supports a corporate approach to asset management, ensuring that decisions are made in the best interests of the Council and its residents.

The Asset Steering Group will:



Ensure consistency and transparency in asset decisions across all service areas.



Monitor the implementation of the Asset Management Strategy and Asset Management Action Plan.



Provide oversight on managing individual assets, including retention, repurposing, and disposal decisions.



## Asset Management Action Plan

The Asset Management Action Plan is a **live** document outlining the specific actions, timescales, and resources required to achieve the strategic objectives of the Asset Management Strategy. The plan is updated annually to reflect changes in priorities, ensuring that it remains responsive to evolving service and financial demands.

[Appendix 5](#) is the timeline for the implementation of the action plan.

Further input is required following consultation.

## Conclusion

The financial environment continues to be challenging for the Council, with increasing service demands and limited resources. Our Strategic Asset Management Plan provides a structured and forward-thinking approach to managing the Council's property portfolio in alignment with its broader corporate objectives. By integrating policy, strategy, and a dynamic action plan, the Council is well-positioned to optimise the use of its assets, support economic growth, and ensure long-term sustainability. As such, the Asset Strategy emphasises the need for efficiency in asset use, reduced operational costs, and increased revenue generation.

The strategy focuses on five key aims for our assets, including fostering an inclusive economy and promoting environmental stewardship. This demonstrates a clear commitment to delivering tangible benefits to the community. The governance framework ensures accountability and transparency, while the asset challenge process will continually assess and adapt asset use to meet evolving service and financial demands.

In conclusion, this strategy lays a solid foundation for the Council to manage its assets effectively, contributing to the prosperity and well-being of Stockton-on-Tees for years to come.

## Appendix

### Appendix 1: Council objectives

Council Objective and Assessment Criteria	Asset type	How the Asset Aligns with the Objective	Performance Measures
<b>Providing the best start in life to achieve big ambitions</b> Does the asset: <ul style="list-style-type: none"> <li>• Support services/ initiatives for children, families, and young people</li> <li>• Promote inclusivity, prevent poverty, and enhance well-being.</li> </ul>	Maintained Schools	Supports education and development of children.	<ul style="list-style-type: none"> <li>• Suitability and sufficiency</li> <li>• Operational costs</li> <li>• Future maintenance liabilities</li> </ul>
	Children's Centres	Provides early childhood services and family support.	
	Children's Residential	Offers care and housing for vulnerable children.	
<b>Healthy and Resilient Communities</b> Does the asset <ul style="list-style-type: none"> <li>• Contribute to health, safety, and well-being?</li> <li>• Support active lifestyles, community engagement, and social connections?</li> </ul>	Libraries	Facilitates community engagement, education, and social connections.	<ul style="list-style-type: none"> <li>• Suitability and sufficiency</li> <li>• Operational costs</li> <li>• Future maintenance liabilities</li> </ul>
	Sports and Leisure	Promotes physical activity and well-being.	
	Changing Rooms and Pavilions	Supports community sports and active lifestyles.	
	Older Persons Support Centre	Provides care and enhances the well-being of older residents	
	Day Centre	Offers services to promote social connections and well-being	
<b>A Great Place to Live, Work and Visit</b> Does the asset <ul style="list-style-type: none"> <li>• Contribute to health, safety, and well-being?</li> <li>• Support active lifestyles, community engagement, and social connections?</li> </ul>	Community Assets	Facilitates local events and activities, boosting community engagement	<ul style="list-style-type: none"> <li>• Community benefit</li> <li>• Operational costs to the council</li> <li>• Future maintenance liabilities</li> </ul>
	Town Centre Regeneration	Enhance the vitality of the town centres, promoting economic growth and local pride.	
<b>An inclusive economy</b> Does the asset <ul style="list-style-type: none"> <li>• Support economic growth, skill development, and local business?</li> <li>• Deliver economic opportunities to all residents?</li> </ul>	Car Parks	Supports local commerce by providing parking for businesses and visitors.	<ul style="list-style-type: none"> <li>• Suitability and sufficiency</li> <li>• Occupancy rates; income generated.</li> <li>• Operational costs</li> <li>• Future maintenance liabilities</li> </ul>
	Business Starter Units	Provides space for new businesses, aiding	

		economic growth and job creation	<ul style="list-style-type: none"> <li>• Future maintenance liabilities</li> <li>• Jobs created</li> <li>• New business and follow-on</li> <li>• Business survival.</li> </ul>
<b>A Sustainable Council</b> Does the asset <ul style="list-style-type: none"> <li>• Provide value for money and support financial sustainability?</li> <li>• Ensure value for money, continually exploring ways to optimise our use of resources, reduce costs, and deliver high-quality services</li> </ul>	Offices	Supports efficient service delivery and resource management.	<ul style="list-style-type: none"> <li>• Suitability and sufficiency</li> <li>• Operational costs</li> <li>• Future maintenance liabilities</li> </ul>
	Depots	Enhances operational efficiency and contributes to financial sustainability.	
	Commercial Income portfolio	Generates revenue to support financial sustainability.	<ul style="list-style-type: none"> <li>• Rental income</li> <li>• Void rate</li> <li>• Return on Investment</li> <li>• Future maintenance liabilities</li> </ul>

## Appendix 2: Asset Challenge Scoring Matrix: PULSES

	SCORE: 0	SCORE: 3	SCORE: 5	WEIGHTING	
PURPOSE	<b>No Alignment:</b> The asset does not contribute to the Council's objective.	<b>Moderate Alignment:</b> The asset contributes to the Council's objective but could be improved.	<b>Excellent Alignment:</b> The asset fully supports and embodies the Council's objective.	30%	
UTILISATION	<b>Not Utilised and Inflexible:</b> The asset is mainly unused, with a rigid configuration and limited adaptability.	<b>Moderate Utilisation and Some Flexibility:</b> The asset is moderately utilised and somewhat flexible, with potential for adjustments.	<b>Fully Utilised and Highly Flexible:</b> The asset is fully utilised and adaptable to various needs.	25%	
LOCATION	<b>Does Not Meet Service Needs:</b> The location is unsuitable, with poor accessibility preventing it from serving any useful purpose.	<b>Adequately Meets Service Needs:</b> The location is satisfactory, meeting basic service requirements and accessibility standards, but there is room for improvement.	<b>Fully Meets Service Needs:</b> The location is ideal, perfectly aligned with service needs, fully accessible, and maximises the asset's effectiveness.	10%	
SUSTAINABILITY	<b>Fails to Meet Requirements:</b> The asset does not meet statutory requirements and has no potential for carbon neutrality.	<b>Meets Requirements with Potential:</b> The asset meets statutory requirements and has some potential to achieve carbon neutrality.	<b>Exceeds Requirements and Highly Sustainable:</b> The asset exceeds statutory requirements and is on track to achieve carbon neutrality.	10%	
ECONOMIC	<b>High Costs:</b> The asset has high running costs.	<b>Above Average Costs:</b> The asset has above-average running costs.	<b>Low Costs:</b> The asset has low or below-average running costs.	25%	
TOTAL SCORE				%	
STATUTORY COMPLIANCE	<b>FAIL:</b> The asset does not meet the statutory requirement.		<b>PASS:</b> Asset meets statutory compliance requirements.		PASS/FAIL



## Appendix 3: Asset Challenge, Economic Performance and Opportunities Reporting

### Asset Challenge Scoring

ASSET	ASSET CHALLENGE					
	PURPOSE	UTILISATION	LOCATION	SUSTAINABILITY	ECONOMIC	SCORE
Example	<b>No Alignment:</b> The asset does not contribute to the Council's objective.	<b>Moderate Utilisation and Some Flexibility:</b> The asset is moderately utilised and somewhat flexible, with the potential for adjustments.	<b>Fully Meets Service Needs:</b> The location is ideal, perfectly aligned with service needs, fully accessible, and maximises the asset's effectiveness.	<b>Fails to Meet Requirements:</b> The asset does not meet statutory requirements and has no potential for carbon neutrality.	<b>Low Costs:</b> The asset has low or below-average running costs.	<b>40%</b>

<b>STATUTORY COMPLIANCE</b>	<b>FAIL:</b> The asset does not meet the statutory requirement.	<b>PASS:</b> Asset meets statutory compliance requirements.	<b>PASS</b>
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### Economic Performance:

ASSET	ECONOMIC					
	Running Costs		Condition Costs			
SIZE m2	Operational costs 24/25 £	Operational costs 24/25 £ m2	Essential costs within 2 years £	Essential costs within 2 years £m2	Overall costs to 5 years £	Overall costs to 5 years £m2

### Opportunities:

OPPORTUNITY						RECOMMEND: Retain Review Disinvest Disposal Acquisition
Market Value	Sensitivity On Disposal	Collaboration	Partnership	Repurpose	Regeneration	



## Appendix 4: Commercial Income Portfolio Scoring Matrix

<b>Investment Class</b> i.e. Ground Lease /Estate Shop	<b>Score</b> <b>(1-5)</b>
<b>Investment Criteria</b>	
Location	
Rental and Capital Growth	
Tenancy Strength	
Tenure	
Tenant Lease Length	
Repairing liability	
Physical quality/MEES	
<b>Total</b>	<b>/ 35</b>

<b>Thresholds</b>
Pass > 25 (70%)
Fail (Review) <24

### Key

Investment Criteria	Excellent: 5	Good: 4	Acceptable: 3	Marginal: 2	Unacceptable: 1
<b>Location</b>	Prime	Prime/Secondary	Secondary	Secondary/Tertiary	Tertiary
<b>Rental and Capital Growth</b>	Ground lease; Rent Reviews annual greater/RPI	Rent Reviews every 3-5 years greater Market Rent/RPI	Rent Reviews every 3-5 years Market Rent	Rent Reviews every 5+ years Market Rent	No Rent Reviews. Limited capital growth
<b>Tenancy Strength</b>	Strong covenant strength: single tenant	Good covenant strength: single-tenant	Strong covenant strength: multiple tenants	Good covenant strength: multiple tenants	Poor financial covenant strength
<b>Tenure</b>	Freehold	Lease 150+ years	Lease 75+ 150 years	Lease 25+ 75 years	Lease less than 25 years
<b>Tenant Lease Length</b>	>15 years	10-15 years	5-9 years	2-5 years	<2 years or vacant
<b>Repairing liability*</b>	Full repairing and insuring.	Internal repairing. External fully recoverable.	Internal repairing. Landlord main structure.	Internal repairing. Landlord main structure and service media	Landlord
<b>Physical quality/MEES</b>	Newly built; Ground lease; EPC A/B	Recently refurbished; EPC A/B	Average condition, remaining physical life over 25 years; EPC A/B	Old property with redevelopment potential; EPC C-E	Close to end of physical life; EPC F/G

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## AGENDA ITEM

### REPORT TO CABINET

12 December 2024

### REPORT OF CORPORATE MANAGEMENT TEAM

## CABINET / KEY DECISION

**Leader of the Council - Lead Cabinet Member – Councillor Bob Cook**

### PROCUREMENT PLAN / HIGHER VALUE CONTRACTS

#### SUMMARY

This report seeks approval from Cabinet for the award of planned higher value contracts where the value exceeds the limit on officer delegated authority and which are either funded within the approved MTFP/ Capital Programme or are subject to a bid for external funding.

#### REASONS FOR RECOMMENDATIONS/DECISIONS

To enable Cabinet to exercise its strategic oversight of higher value planned procurement projects, in accordance with the constitution.

#### RECOMMENDATIONS

That Cabinet

1. approves the contracts listed in Annex 1;
2. gives authority to the relevant Director or Assistant Director to make the specific contract award decision and any subsequent contract variation, annual inflationary uplifts (where allowed in the contract terms and conditions) and extension decision in accordance with the delegations listed in Annex 1;

#### DETAIL

1. The constitution defines a range of decisions that require a specific Cabinet approval, the financial threshold for which is set at a level of £500k or more. Annex 1 lists contracts that exceeds the financial threshold and have not otherwise been delegated to officers.

#### FINANCIAL IMPLICATIONS

2. The report includes higher value contracts expected to be awarded in the 2024/25 financial year. The expenditure committed as a result of these tenders/ quotes is planned and remains within the Council's approved budget/MTFP/ Capital Programme or is subject to a bid for external funding which will ensure that at the point of contract award funds are available within the MTFP.

## **LEGAL IMPLICATIONS**

3. Notwithstanding Cabinet approval it remains the responsibility of officers to ensure that the correct processes within Contract Procedure Rules have been followed and that where applicable the Public Contracts Regulations 2015 as amended by The Public Procurement (Amendment) (EU Exit) Regulations 2020 are complied with.
4. Where the value of goods, services or works exceeds the threshold at which the procurement process must comply with the Public Contracts Regulations 2015 either a tender exercise or the use of a suitable framework agreement will comply with the Regulations.

## **RISK ASSESSMENT**

5. There are several risks relating to procurement. Firstly, the Council spends a considerable amount of public money on goods, services and works. Having effective Contract Procedure Rules and ensuring compliance with the Public Contract Regulations 2015 can help mitigate the risk of accusations of corruption and help demonstrate value for money and transparency. Secondly, effective tender/ quote processes and contract management also reduce the risk of poor supplier selection and subsequent performance which can impact service delivery.

## **WARDS AFFECTED AND CONSULTATION WITH WARD/COUNCILLORS**

None specifically.

## **BACKGROUND PAPERS**

None

**Name of Contact Officer:** Martin Skipsey

**Post Title:** Assistant Director Procurement and Governance

**Telephone No.** 01642 5356364

**Email Address:** [martin.skipsey@stockton.gov.uk](mailto:martin.skipsey@stockton.gov.uk)

**Annexe 1**

<b>Contract Title: General Network Refresh</b>	
<p>1. The council will call off from a suitable framework agreement to allow the Council to purchase a full refresh of all general network equipment.</p> <p>2. The call off contract will be on behalf of Stockton-on-Tees Borough Council, Darlington Borough Council and Tees Active Limited and will be across 80 sites.</p> <p>3. The new contract will commence Dec 2024 with an 18-month term. This project was originally scheduled for 25/26 and was dependent on the completion of Dunedin House and core switches being procured, so not originally submitted in March 2024 Cabinet Procurement Plan. Work is now able to commence in 24/25.</p> <p>5. Estimated contract spend (5 years) is circa £829,054 (SBC - £435,021, DBC £336,128, TAL £57,904).</p> <p>6. It should be noted that purchasing all of the network refresh equipment via this supplier will ensure volume discount.</p>	
Key Decision: Yes	Funding within MTFP/ Capital Programme: Yes
Delegated Officer: Garry Cummings, Deputy Chief Executive and Director of Finance, Transformation & Performance or Ian Coxon, Assistant Director (Xentrall Shared Services)	
Checks and Balances: In consultation with other appropriate officers for professional advice to include finance and procurement.	

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## AGENDA ITEM

### REPORT TO CABINET

12 December 2024

### REPORT OF CORPORATE MANAGEMENT TEAM

## CABINET / KEY DECISION

**Leader of the Council - Lead Cabinet Member – Councillor Bob Cook**

### PROCUREMENT PLAN / HIGHER VALUE CONTRACTS

#### SUMMARY

This report seeks approval from Cabinet for the award of planned higher value contracts where the value exceeds the limit on officer delegated authority and which are either funded within the approved MTFP/ Capital Programme or are subject to a bid for external funding.

#### REASONS FOR RECOMMENDATIONS/DECISIONS

To enable Cabinet to exercise its strategic oversight of higher value planned procurement projects, in accordance with the constitution.

#### RECOMMENDATIONS

That Cabinet

1. approves the expenditure on the contract listed in Annex 1;
2. approve an exception to Contract Procedure Rules to not access a pre-existing framework agreement for the purchase of the contract listed in Annex 1 and instead directly award a contract to Unit 4 through a negotiated procedure without a call for competition.
3. gives authority to the relevant Director or Assistant Director to finalise detailed terms and conditions and any subsequent contract variation, annual inflationary uplifts (where allowed in the contract terms and conditions) and extension decision in accordance with the delegations listed in Annex 1

#### DETAIL

1. The constitution defines a range of decisions that require a specific Cabinet approval, the financial threshold for which is set at a level of £500k or more. Annex 1 lists contracts that exceeds the financial threshold and have not otherwise been delegated to officers. This contract was included on the Annual Procurement Plan approved by Cabinet in March 2024, however due the circumstance set out below, the contract requires additional approval.



2. The constitution includes Contract Procedure Rules which lay down the processes for procurement including the requirement to competitively tender for goods/ services and works or alternatively access pre-tendered framework agreements. The framework agreement available for this contract referenced on the Annual Procurement Plan does not provide value for money and there is insufficient time to undertake a full tender before the current system becomes 'unsupported' by end of 2024. Therefore, officers have entered into a negotiated procedure without a call for competition directly with Unit 4 and achieved a substantially reduced pricing framework.
3. To comply with the Public Contract Regulations 2015 and for transparency purposes, the Council is required to publish a Voluntary Ex-Ante Transparency Notice (VEAT) which provides the opportunity for the wider market to challenge the proposed decision to award a contract directly to Unit 4. For information, the challenge period is limited to 10 calendar days from the day after the notice is published. The contract cannot be concluded until after this period.

### **FINANCIAL IMPLICATIONS**

4. The report includes higher value contracts expected to be awarded in the 2024/25 financial year. The expenditure committed as a result of these tenders/ quotes is planned and remains within the Council's approved budget/MTFP/ Capital Programme or is subject to a bid for external funding which will ensure that at the point of contract award funds are available within the MTFP.

### **LEGAL IMPLICATIONS**

5. Notwithstanding Cabinet approval it remains the responsibility of officers to ensure that the correct processes within Contract Procedure Rules have been followed and that where applicable the Public Contracts Regulations 2015 as amended by The Public Procurement (Amendment) (EU Exit) Regulations 2020 are complied with.
6. Where the value of goods, services or works exceeds the threshold at which the procurement process must comply with the Public Contracts Regulations 2015 either a tender exercise or the use of a suitable framework agreement will comply with the Regulations.

### **RISK ASSESSMENT**

7. There are several risks relating to procurement. Firstly, the Council spends a considerable amount of public money on goods, services and works. Having effective Contract Procedure Rules and ensuring compliance with the Public Contract Regulations 2015 can help mitigate the risk of accusations of corruption and help demonstrate value for money and transparency. Secondly, effective tender/ quote processes and contract management also reduce the risk of poor supplier selection and subsequent performance which can impact service delivery.

### **WARDS AFFECTED AND CONSULTATION WITH WARD/COUNCILLORS**

None specifically.

### **BACKGROUND PAPERS**

None

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**Annexe 1**

<b>Contract Title: Finance ERP System</b>	
1. The council will enter into contract with Unit 4 to purchase a finance ERP system, due to the de-support of the existing hosted system at the end of 2024. The contract will be on behalf of Stockton Borough Council, Darlington Borough Council and Tees Valley Combined Authority.	
2. The contract will commence on 01/01/2025 with a 5-year term.	
3. The anticipated annual spend is circa £230k (Stockton costs 58%, Darlington costs 34.5%, TVCA 7.5%)	
Key Decision: Yes	Funding within MTFP/ Capital Programme: Yes
Delegated Officer: Garry Cummings, Deputy Chief Executive and Director of Finance, Transformation & Performance or Ian Coxon, Assistant Director (Xentrall Shared Services)	
Checks and Balances: In consultation with other appropriate officers for professional advice to include Finance, Procurement and Legal Services.	

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**AGENDA ITEM****REPORT TO CABINET****12 DECEMBER 2024****REPORT OF SENIOR  
MANAGEMENT TEAM****CABINET INFORMATION ITEM****Cabinet Member for Regeneration and Housing – Councillor N Cooke****THE SYCAMORES HOUSING DEVELOPMENT (Closure Report)****SUMMARY**

Housing is a key contributor to the health & well-being and quality of life for our residents and a key driver in supporting the boroughs economic growth. As part of the Councils strategic regeneration plans it was a longstanding ambition to bring forward a housing development on the former Victoria Estate and adjacent Elm House sites, to provide quality, truly affordable and inclusive homes within the heart of Stockton town centre. As all homes on The Sycamores have now been built, sold and are occupied this report details the successful delivery of this town centre re-development. Highlighting that the new homes delivered not only addressed local housing needs but also delivered broader social and economic benefits as well as a financial return to the authority.

**REASONS FOR PRODUCING THIS REPORT**

The former Victoria/Elm House sites were always difficult sites to bring forward. Like many brownfield re-developments the sites had high remediation costs which when combined with build costs and restricted new build property sale values, would always prove challenging in terms of bringing a viable re-development proposal forward. Despite these challenges the Council sought to identify a solution. This report highlights the outcomes of the approach adopted by the Council to create a safe, inclusive place that meets the needs of our residents (through both outright sale and affordable rented housing), in a well-connected community in the heart of Stockton town centre.

As members are aware work is ongoing to explore options for how the Council can bring forward/accelerate the provision of affordable housing across the borough that meets a range of incomes and needs. This closure report identifies valuable lessons which will be fed into the ongoing option appraisal.

**DETAIL****Background**

1. As part of the Councils long-standing ambition to support the economic regeneration of Stockton town centre, the delivery of a quality housing offer on the former Victoria Estate and the adjacent Elm House site was identified as integral. The ambition of the Council was *“to create a vibrant new community, providing sustainable urban living which would support the transformation of the north-eastern quadrant of the Town Centre”*.

2. Unlike previous housing-led regeneration developments (on the Hardwick and Mandale estates) where the Council had entered into Development Agreements, the decision was taken in 2018 to seek an alternative delivery model to bring the site forward. Following an evaluation of options, it was considered that a Joint Venture arrangement should be explored. The rationale for adopting this approach was informed by:
  - The recognition that the site had a negative land value and would potentially be unviable for development if marketed for sale.
  - That this is key gateway site into Stockton town and as such the site formed part of the Councils town centre regeneration plans.
3. Taking the above into consideration the Council decided that it wanted to maintain a level of influence over and above the usual constraints of a planning permission on a site; to avoid the potential for land banking or the site being developed on a piecemeal basis. The Joint Venture approach was identified to deliver this ambition but vitally a mechanism to bring in resources (financial) and expertise (skills and capacity) from a development partner who had extensive commercial and house building experience.
4. In 2018, Cabinet (decision record D180071) approved the appointment of Keepmoat Homes Limited as the Councils Joint Venture Partner and the establishment of a Joint Venture Company (limited by shares). As part of the commercial agreements for the Joint Venture Company it was agreed that the Council would provide loan funding to the company (in equal amounts to Keepmoat). Over the lifetime of the development the maximum value of the loan to be made by each partner was £1.6m and was made by the Council on a commercial return basis. However members asked to note that only £1.35m of the loan facility was drawn down (due to Keepmoats management of the cash flow over the duration of the development). It was anticipated based on development costs and estimated sales values that both partners would also secure a return on their investment (through a profit share agreement). Commercial developments of this nature are not risk free and to inform its decision, Cabinet considered a series of potential risks and mitigations.
5. As part of the joint engagement work undertaken with Keepmoat it was identified that a Collaboration Agreement, rather a Joint Venture Agreement would be more appropriate. The Collaboration Agreement was a more simplified legal structure and was more cost effective, as it did not require the expense in setting up a new company whilst still achieving the Councils development objectives. Subsequently the revised legal arrangement was approved by Cabinet on the 18.7.19 (decision record D190055).
6. The initial Collaboration Agreement did not include the adjacent Elm House site. At the time of entering the agreement it was not within the ownership of the council; however it was always the Councils ambition to enable the redevelopment of this site. Members may recall that Elm House (located on Bath Lane) was a high-rise apartment block with commercial interests on the ground floor. Whilst Thirteen Housing cleared the site, the costs of redevelopment were prohibitive. Through the agility of the Councils partnership with Keepmoat when the opportunity to bid for Brownfield Housing Funding (BHF) monies became available an application was made. This bid would not have been possible without the partnership due to the time constraints required for BHF monies to be spend. A successful BHF bid was made, £710,326 of grant was secured which reduced the sites viability gap by funding essential land remediation costs. The build of the 14, 2-bedroom bungalows was the first completed in the Tees Valley with funding secured through the BHF. Once the new bungalows were complete by Keepmoat there was an onward sale agreement to Thirteen. This extended site has delivered much needed affordable rented homes.



The Sycamores

7. Despite on-site challenges and cost inflation experienced during/post COVID, all properties on the development have now sold. The site is an example of transformational change. From an area which once experienced low demand housing (suffering from void rates of around 35%), high rates of anti-social behaviour and poor property standards (all homes were EPC rated E), to a residential development which now provides high quality housing in a green environment (**Appendix 1** provides a pictorial overview of the site ‘before’ and ‘after’ redevelopment).
8. As demonstrated in **Appendix 1** the site has been transformed from a 1960’s development of 254 properties (made up of predominately non-traditional housing i.e. flats and maisonettes above, with open back gardens) and a high-rise block of flats to an inclusive residential community which now provides 157 truly affordable dwellings for a range of households and incomes.

**Table 1: current housing mix and tenure**

Property type	Number	Overall tenure mix
2 bed house	33	<ul style="list-style-type: none"> <li>• 50% of properties outright sale</li> <li>• 15% affordable home ownership (First Homes)</li> <li>• 6% affordable home ownership (Shared Ownership)</li> <li>• 29% affordable rent</li> </ul>
3 bed house	71	
4 bed house	33	
2 bed bungalow	20	<ul style="list-style-type: none"> <li>• 100% affordable rent</li> </ul>

9. In terms of investment into the borough the total site redevelopment costs were cc. £20m (including monies secured from Homes England for First Homes, the Affordable Homes Programme and the Brownfield Housing Fund),
10. In terms of a financial return to the Council, in addition to securing the full repayment of the loan (at a commercial return), the Council has also secured a profit share of £486k (paid in October 2024).
11. In addition to the above the site has also delivered a range of broader economic and social benefits for example:
  - (a) All homes on the site are now EPC rated B (highly efficient homes / features include good insulation and various energy saving features), as noted previously all the Victoria properties were EPC rated E. The provision of new homes has supported the Councils ambition to address fuel poverty and provide quality, energy efficient housing.

**Table 2: current EPC ratings**

EPC Rating	SAP Rating	Current properties within Band	Previous properties within Band
A	92-100 SAP points <i>(most efficient)</i>	0	0
B	81-91 SAP points	157	0
C	69-80 SAP points	0	0

D	55-68 SAP points	0	0
E	39-54 SAP points	0	254
F	21-38 SAP points	0	0
G	1-20 SAP points (least efficient)	0	0

- (b) Whilst the total number of dwellings may have reduced Council Tax bandings have increased. Previously 100% of dwellings were Council Tax Band A. The table 3 details the new bandings and current Council Tax annual revenue.

**Table 3:current Council Tax Bandings**

Band	2024/2025 charge	Properties	Council Tax revenue
A	£1,557.34	17	£26,474.78
B	£1,816.88	90	£163,519.20
C	£2,076.44	39	£80,981.16
D	£2,336.00	11	£25,696.00
<b>Total</b>		<b>157</b>	<b>£296,671.14</b>

- (c) The current development is sustainable with no properties currently marketed for resale (as noted previously 35% of properties on the estate were empty, and most flats in Elm House were long-term voids). Added to this as/when rented properties became available they attracted a significant number of bids (for example over 500 bids were made when the 14 2xbungalows were initially advertised).
- (d) As part of the procurement exercise the Council sought to maximise social value (which included local jobs and training, supporting regional businesses and healthier, safer and more resilient communities). Keepmoat actively sought opportunities to maximise social value back into the borough and the total social value evaluation of the project exceeded £7.6m.
- (e) The provision of homes for varying income levels has sought to bring a new demographic to this town centre location. In addition to homes for rent and outright sale, the provision of First Homes enabled first time buyers (on a qualifying income and with a connection to the borough) to purchase a home with a discount. As noted in the council tax table above the provision of new homes varied with outright purchase prices ranging from £121k for a semi or terraced 2 bed houses to £185k for the larger detached four bed houses.
- (f) To understand the impact of this new housing development on Stockton town centre/the high street a Visitor Insights Report has been undertaken (analysing the period between January 2023 to September 2024). This study identified a number of positive impacts of the development on the local economy for example 11,320 visits were made by residents of The Sycamores to Stockton High Street (during the day) and 6,254 visits to food and beverage units (restaurants, cafes and pubs) within a 20 minute walking distance of the estate.

### Moving forward (lessons learnt)

12. The Sycamores has evidenced the pivotal role that housing can and will play in the boroughs Powering our Future regeneration 'place making' ambitions. Demonstrating the role that housing-led regeneration has, not only in delivering modern, high quality, energy efficient and affordable homes (creating places people want to live) but in delivering a range of wider social, financial, health and economic benefits.
13. Whilst this report details the successful outcome of this project, redevelopments of this nature are never risk-free. On this occasion the Council took a balanced approach to 'risk and reward'. Recognising that to bring this site forward, against the viability challenge facing it they needed to partner with an experienced commercial operator (one who had extensive experience in bringing forward sites of this nature) and to consider the use of council resources (through the investment loan).
14. Looking forward as the Council explores options for accelerating affordable housing delivery the learning and reflections from this partnership (and delivery model) will be considered. They include:
  - An effective governance structure (monthly project meetings, with an 'open book approach ensured effective project & financial monitoring and formal Board meetings which provided an escalation route if required).
  - The ability of the partnership to operate with an element of flexibility and agility to maximise funding opportunities as these arose (on this occasion securing access to the Brownfield Housing Fund and First Homes monies).
  - Securing the right level of expertise (skills and financial) to deliver on the Councils ambitions.
  - The benefits (and need) of an effective internal inter-department project team (legal, financial, planning, land and property and housing colleagues for example) who provided dedicated support to the project at all stages (procurement, establishing the legal arrangements and throughout project delivery). Which in turn facilitated effective partnership arrangements with Keepmoat.

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## APPENIDX 1

### The former Victoria estate and Elm House





The Sycamores





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# CABINET INFORMATION ITEM ONLY

AGENDA ITEM

REPORT TO CABINET

12 DECEMBER 2024

REPORT OF SENIOR  
MANAGEMENT TEAM

## CABINET INFORMATION ITEM

**Cabinet Member for Regeneration and Housing – Councillor Nigel Cooke**

### **ANNUAL REPORT OF THE GOVERNING BODY FOR THE LEARNING AND SKILLS SERVICE**

#### **SUMMARY**

This report provides an update on the work of the Learning and Skills Service in supporting residents, employers and the local community with learning opportunities during the 23/24 academic year. The report also demonstrates the ongoing success of the Governing Body as an advisory committee empowered by Cabinet to provide challenge, support and strategic oversight.

**Recommended that the report be noted.**

#### **DETAIL**

##### Governance and management of the Service

1. The Governing Body was first established in October 2016 and since that time has supported the Service by utilising its skillset, experience and knowledge across different sectors to provide challenge and insight to ensure the Service continues to meet the needs and priorities of Stockton-on-Tees Borough Council.
2. The Service is fully funded by external grants allocated by funding bodies including Tees Valley Combined Authority (TVCA) and the Department for Education (DfE). These grant allocations contribute to the overall Council financial position and are regularly reviewed through close governance and performance monitoring.
3. The value of the contribution from the Governing Body along with the management arrangements for the Service have been validated by independent advisors, Ofsted inspectors, and external quality standard assessors.
4. Governors play an active role in quality assurance and improvement. In order to ensure that the Governing Body continues to remain strongly positioned, its membership is regularly reviewed. The current membership of the Governing Body is as follows:

Position	Full name	Role
Chair of Governors	Councillor Nigel Cooke	Cabinet Member for Regeneration and Housing (Link Governor for Equality and Diversity)
Member	Chris Renahan	Assistant Director - Inclusive Growth and Development for Stockton-on-Tees Borough Council  SBC Senior Management Team Representative
Member	Craig Taylor	Adult Learning and Skills Manager for Stockton- on-Tees Borough Council  Staff Representative
Member	Julie Marsden	Economic Development Manager for Stockton- on-Tees Borough Council  Economic Growth and Regeneration Representative  (Link Governor for Safeguarding)
Member	Lucy Owens	Chief Executive for Catalyst  Voluntary and Community Sector Representative
Member	Lynsey Robinson	Director, Digital City, Teesside University  Employer Representative for Digital Sector
Member	VACANT	Learner Representative

### Overview of the Learning and Skills Service

5. The Service has a broad and diverse remit to deliver learning programmes to support residents and businesses to meet their full economic potential whilst also increasing prosperity, wellbeing and cohesion in our communities.
6. Adult Skills programmes delivered are traditionally accredited programmes up to level 3 which support residents and employers to gain skills and qualifications needed in the workplace. These programmes predominantly include key skills including English, Maths, ICT and ESOL (English for Speakers of Other Languages). Various employment programmes linked to local priority sectors such as Health and Care are also delivered, for example, through the delivery of the Care Academy in partnership with the SBC Employment and Training Hub.
7. Learning for Inclusion programmes utilise funding ringfenced to local authorities to address specific needs of adults such as isolation, social exclusion, health and wellbeing, and strengthening communities. Many of these non-accredited programmes are delivered in close

collaboration with partner organisations aligned to the Power Our Future Programme to enable positive outcomes within our communities.

8. Apprenticeship programmes are also delivered to support local business growth and provide work based skills development opportunities to our residents. These apprenticeships programmes also support the SBC workforce development programme to continue to train and develop the workforce through programmes such as Customer Service, Business Administration, Early Years, Care, Librarianship and Team Leading.

#### Performance of the Learning and Skills Service

9. There were over 3500 enrolments on adult learning and apprenticeship programmes during the 23/24 academic year.
10. The overall achievement rate for all Adult Learning programmes was 93.0%, of which, the Adult Skills (accredited programmes) achievement rate was 91.9%. This is higher the current national benchmark by 5.1% and is a significant increase from the 87.5% achievement rate obtained in the previous academic year.
11. Similarly, the achievement rate for Learning for Inclusion (non-accredited) programmes was 95.3%. This is higher than the national benchmark by 2.4% and an increase from 93.9% obtained in the previous academic year.
12. Apprenticeship programmes also continue to perform well following challenges faced in the sector since the pandemic. In a letter released in June 2022, the Secretary of State for Skills “set a stretching ambition to reach a 67% achievement rate on apprenticeship standards by 2025”. The Service apprenticeship achievement rate for 23/24 was 67.5%, meeting this government target in advance and is performing higher than the current national benchmark by 13.2%.
13. The Service is also keen to recognise not only the tangible achievements of learners such as those achieving recognised qualifications, but also the ‘softer skills’ which learners develop to support them in their wider lives. The feedback table below demonstrates that the vast majority of learners were able to improve their skills, increase their confidence, and have a greater understanding of their own health and well-being which ultimately help them to achieve or move closer to their aspirations.

Statement	Positive Responses
I feel more confident in my own ability	96%
I am more open to new ideas and experiences	91%
I am more aware of my own strengths and area for development	90%
I feel more able to take part in my own community	84%
My well-being has improved	88%
I have clearer goals and ambitions for the future	81%
I feel more confident to access services on-line	81%

14. The impact of the Service is also demonstrated with the positive destinations attained by learners and apprentices following completion of their programmes. 82% of learners progress to either higher level learning or an employment outcome which is an increase of 1.9% compared to the previous academic year.

15. The Service also continues to strategically target its funding to support those in greatest need and help tackle inequalities in the borough. As a result, 44.5% of learners engage from a disadvantaged area and 19.5% of learners are identified as having no prior attainment / qualifications.

### Multiply Programme

16. In 2022, the UK government committed that the first priority of the UK Shared Prosperity Fund would be for Multiply, a programme with the aim increase the levels of functional numeracy in the adult population and facilitate more adults to achieve maths qualifications and improve their employment prospects.
17. TVCA secured funding from the Department for Education and commissioned the 5 Local Authority Learning and Skills Services to deliver 'community level engagement interventions' though working in the heart of our communities and that complement the existing numeracy work being undertaken through the use of our core Adult Education Budget funding.
18. Multiply delivery commenced in December 2022 and will conclude in March 2025. Funding was specifically targeted at adult learners aged 19+ who have not previously attained a GCSE Grade 4 / C or higher Maths qualification. Through targeting this hard to reach cohort, the Service has worked in flexible and innovative ways to encourage participation of those in greatest need such as providing short bitesize programmes leading to more substantial learning.
19. The Service has also utilised its close working partnerships to support those in greatest need such as through collaborating with schools targeting parents to support their children, or through family hubs, particularly during the cost of living crisis to support vulnerable adults to manage their limited budgets.
20. As a result, the Service has successfully facilitated 889 starts onto these programmes, which is likely to increase to over 1000 by the end of the programme, further demonstrating the vital role the Service plays in helping to address inequalities in the Borough.

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